
LEAGUE OF NATIONS

Report on the Work of the League since the Twelfth Session of the Assembly.
TABLE OF CONTENTS.

INTRODUCTION .......................................................... V

1. LEGAL QUESTIONS:
   I. Amendment of the Covenant of the League of Nations in order to bring it into Harmony with the Pact of Paris ............... 1
   II. Special Committee to study the Existing System of Elections to the Council . . 1
   III. Nationality of Women ........................................... 1
   IV. Work of the International Institute for the Unification of Private Law, Rome . 1

2. FINANCES OF THE LEAGUE:
   I. General Financial Position ....................................... 3
   II. Accounts for 1931 .................................................. 4
   III. Budget for 1933 .................................................... 4
   IV. Construction of the New Buildings ................................ 5
   V. Expenditure of the League: Memorandum by the Delegation of the United Kingdom .................................................... 7

3. REDUCTION OF ARMAMENTS:
   I. Armaments Truce .................................................... 8
   II. Position of Armaments in the Various Countries ................ 9
   III. Statistical Information on the Trade in Arms and Ammunition and in Implements of War. Armaments Year-Book .................................................. 9
   IV. Publication of Information with regard to Civil Aviation .......... 10
   V. Conference for the Reduction and Limitation of Armaments .......... 10
   VI. Supervision of the Private Manufacture and Publicity of the Manufacture of Arms and Ammunition and of Implements of War ................................................................. 13

4. ARBITRATION AND SECURITY:
   General Convention to Improve the Means of Preventing War .......... 13

5. COMMISSION OF ENQUIRY FOR EUROPEAN UNION ............................ 14

6. POLITICAL QUESTIONS:
   I. Appeal by the Chinese Government ................................ 15
   II. Memel Territory ..................................................... 27
   III. Claim made by the Finnish Government against the Government of the United Kingdom with regard to Finnish Ships used during the War by the Government of the United Kingdom .................................................. 28
   IV. Seventh Report of the Straits Commission addressed to the League of Nations in conformity with Article 15 of the Straits Convention signed on July 24th, 1923 .................................................. 30

7. ADMINISTRATIVE QUESTIONS:
   I. Saar Territory ....................................................... 30
   II. Free City of Danzig ................................................ 32
   III. Greco-Bulgarian Inter-Migration Commission ..................... 35
   IV. Mixed Commission for the Exchange of Greek and Turkish Populations .............. 36

8. PROTECTION OF MINORITIES:
   I. General Remarks .................................................... 36
   II. Protection of Minorities in Poland ................................ 37
   III. Protection of Minorities in Upper Silesia ........................ 40
   IV. Protection of Minorities in Roumania ................................ 42

9. MANDATES:
   I. General Questions ................................................ 43
   II. Administration of the Territories under Mandate .................. 44
   III. Special Questions:
         1. Proposal of the British Government with a View to the Emancipation of Iraq .............. 49
         2. Frontier between Syria and Iraq ................................ 53
         3. Syrian-Jebel Druze-Transjordan Frontier ....................... 53
   IV. Reduction of the Number of Sessions of the Mandates Commission ............. 54

10. SLAVERY:
    I. Execution of the Assembly's Resolution of September 25th, 1926 .......... 54
    II. Committee of Experts appointed under the Assembly Resolution of September 25th, 1931 .................................................. 55
11. Work of the Technical Organisations:

I. Economic and Financial Organisation:

A. Section of Economic Relations: Work of the Economic Committee:
   1. Economic "Rapprochements" in Europe ........................................... 55
   2. Influence of the Economic and Financial Depression on the Regime of International Exchanges ......................................................... 56
   3. Enquiry into the International Situation of Certain Branches of Production ................................................................. 58
   4. Agriculture ................................................................................. 58
   5. Customs Nomenclature ................................................................. 59
   6. International Industrial Agreements ............................................. 59
   7. Procedure for the Friendly Settlement of Inter-State Economic Disputes ................................................................. 60
   8. Bribery and Unfair Practices ....................................................... 60
   9. Marks of Origin ........................................................................... 60
   10. Convention for the Regulation of Whaling .................................... 61

B. Economic Intelligence Service ....................................................... 61

C. Economic and Financial Crisis: Resolution adopted by the International Labour Conference at its Sixteenth Session ........................................ 62

D. Work of the Financial Committee:
   I. Financial Reconstruction Work .................................................... 63
   II. Gold Delegation ........................................................................ 68
   III. Ratifications of the Convention for the Creation of an International Agricultural Mortgage Credit Company ................................. 68
   IV. Fiscal Committee: Enquiry into the Apportionment of Profits ....... 68

II. Communications and Transit Organisation:

A. Fourth General Conference on Communications and Transit ............. 68
B. Continuation of the Work of the European Conference on Road Traffic ................................................................................... 70
C. Continuation of the Work of the Conference for the Unification of River Law ............................................................... 70
D. Public Works ................................................................................ 70
E. Collaboration between the Chinese National Government and the Organisation for Communications and Transit ........................................ 71
F. Negotiability of Railway Transport Documents .................................. 71
G. League Wireless Station ................................................................ 71

III. Health Organisation:

1. Decisions of the Assembly and the Council ..................................... 72
2. Appeal by the League on behalf of the Victims of Floods in China .......... 72
3. Co-operation with the Governments of Various Countries in Public Health Matters ......................................................... 72
4. Rural Hygiene ............................................................................... 72
5. Work of the Reporting Committees and Technical Commissions ........ 74
6. Epidemiological Intelligence and Public Health Statistics Service ........ 75
7. Quarterly Bulletin of the Health Organisation .................................... 75
8. International Leprosy Centre at Rio ............................................... 76
9. International School of Advanced Health Studies ............................... 76

12. Co-operation of Women in the Organisation of Peace ....................... 76

13. Co-operation of the Press in the Organisation of Peace ..................... 76

14. The League of Nations and China ................................................... 77

15. Request of the Liberian Government for Assistance ......................... 79

16. Humanitarian Questions:

I. Protection and Welfare of Children and Young People:
   A. Traffic in Women and Children .................................................... 80
   B. Child Welfare ............................................................................. 82
   C. Joint Meeting of the Traffic in Women and Children and Child Welfare Committees ......................................................... 84
   D. Penal and Prison Questions ......................................................... 85

II. Traffic in Opium and Other Dangerous Drugs:
   A. Conference on the Suppression of Opium-Smoking, convened under Article XII of the Geneva Opium Agreement .................................. 87
   B. Work of the Advisory Committee on Traffic in Opium and Other Dangerous Drugs (Fifteenth Session) ........................................ 88
   C. Work of the Permanent Central Opium Board .................................. 94

17. Nansen International Office for Refugees ......................................... 96

18. International Relief Union ............................................................... 97

19. Intellectual Co-operation ................................................................. 97

20. International Bureaux ..................................................................... 106

21. Present Situation with regard to International Engagements Registered with the Secretariat of the League of Nations ........................... 107

22. Work of the Secretariat Library ...................................................... 113
INTRODUCTION.

The work of the League since the last Assembly, apart from the action taken in connection with the Sino-Japanese dispute by the Council and by the Extraordinary Session of the Assembly convened on March 3rd, 1932, has been inevitably directed mainly to questions connected with the Disarmament Conference and the present economic and financial crisis. Among other matters of special interest, however, must be included the Conference on the Suppression of Opium-smoking, which met at Bangkok from November 9th to November 27th, 1931, and the measures adopted by the Council with a view to the termination of the mandate for Iraq.

LEGAL QUESTIONS.

AMENDMENT OF THE COVENANT OF THE LEAGUE.

Texts for the amendment of the Covenant of the League to bring it into harmony with the Pact of Paris were in 1930 considered and revised by the First Committee of the Assembly. The Secretary-General was asked to submit the revised texts to the Governments for their observations, and the 1931 Assembly decided that a final draft should be prepared by a Committee composed of representatives of all the Members of the League. The Council, in January 1932, authorised the Secretary-General to convene the Committee at a date to be fixed in agreement with the President of the Disarmament Conference, the President of the Council and its Rapporteur.

APPOINTMENT OF A SPECIAL COMMITTEE TO STUDY THE EXISTING SYSTEM OF ELECTIONS TO THE COUNCIL.

The Assembly, in 1931, asked that a special Committee should be appointed to study the existing system of elections to the Council. The Committee was duly constituted by the Council in January 1932 to consist of members appointed by the Governments of the Argentine, Belgium, the United Kingdom, Bulgaria, Canada, Colombia, Czechoslovakia, France, Germany, Italy, Japan, Poland, Portugal, Spain and Sweden. It will depend on the progress of the work of the Committee whether its report will be submitted to the Assembly in the present year.

NATIONALITY OF WOMEN.

The Assembly, in 1931, noted a series of proposals drawn up by a Committee of representatives of the more important women's international organisations, which desired that steps should be taken to reconsider the provisions of the Hague Nationality Convention of 1930, bearing in mind the principle of equality as between men and women. The Governments have been requested to submit their observations on the subject, and the Committee of Representatives of Women's Organisations has been invited to formulate such further observations as it may wish to submit for the consideration of the next Assembly.

WORK OF THE INTERNATIONAL INSTITUTE AT ROME FOR THE UNIFICATION OF PRIVATE LAW.

The International Institute for the Unification of Private Law is actively pursuing its enquiries into the unification of private law for the sale of goods and is continuing its preparatory work for the unification of private law in the matter of arbitration agreements. It is devoting considerable attention to the question of intellectual rights, and in this field it is giving all possible assistance to the International Institute of Intellectual Co-operation and the International Labour Office.

It has started an investigation into the Italian stock-exchanges and, with a view to a general investigation of the insurance problem, has undertaken to collect the texts of laws on insurance of a group of States concerning which the Association internationale juridique pour le droit des assurances has not yet been able to obtain exact information.

FINANCES OF THE LEAGUE.

During the year 1931, 85.62 per cent of the amount of the contributions due for the year was received from the States Members, as against 86.62 per cent in 1930. The total amount received on account of arrears during 1931 was 1,565,521.80 gold francs, as compared with 1,038,218.21 gold francs during 1930.
The Secretariat of the League, on December 31st, 1931, showed a cash surplus of 82,033.89 gold francs and the Permanent Court of International Justice a cash surplus of 31,108.39 gold francs. On the same date, the International Labour Organisation showed a cash deficit of 545,318.45 gold francs.

The budget for 1933, as submitted to the Assembly, shows a reduction of 2,506,339 francs as compared with the budget for 1932, which included a considerable appropriation for the Disarmament Conference, and a reduction of 90,008 francs as compared with the budget for 1931.

The representative of the United Kingdom submitted to the Council, in May 1932, a proposal that the whole question of the expenditure of the League should be carefully reviewed as soon as possible, so that the Assembly might this year, in determining the budget for 1933, have full information on the situation and thus be able to decide whether it was practicable and desirable to effect further reductions. The Council decided, on May 21st, to request the Supervisory Commission to examine the expenditure of the League, in the light of the British proposal and of the observations of its various members, and to consider, in particular, a possible reduction of staff and salaries and a stricter control of expenditure. The Commission may for this purpose enlist the assistance of experts.

The Council considered that the attention of the Assembly should be drawn to the importance of a general review of League policy, since policy must ultimately determine expenditure and the limits within which economies may be effected.

CONSTRUCTION OF THE LEAGUE BUILDINGS.

The architects responsible for the new buildings presented in September 1931 a revised estimate, exceeding by approximately 2 3/4 million francs the credit voted by the Assembly in 1930. The Assembly, confronted with this situation, instructed the Supervisory Commission to examine the financial position with regard to the new buildings and to submit to the Council for approval, as soon as possible, a programme complying with the decision of the Assembly to keep, in principle, within the limits of the previous figure. The position was considered to be all the more serious as the Building Committee had reported to the Secretary-General that even the increased estimate submitted by the architects might be inadequate and that there was reason to fear that the credit voted in 1930 would be exceeded by 7 or 8 million Swiss francs.

The Supervisory Commission, after interviewing the architects and the Building Committee, reported to the Council, in January 1932, that there was real danger of a considerable excess expenditure unless reductions were effected in the plans and unless a more effective control was exercised over their execution. It urged, in particular, that unity of direction was a question of the highest importance, deploring in this connection the errors and delays caused by the existing division of responsibility among five architects. It proposed, as an arrangement suggested by the architects themselves, that their Chairman should henceforth have executive powers as the responsible director of the work and that it should be his duty to take all necessary decisions within the customary time-limits.

As the result of a technical enquiry and of further calculations by the Supervisory Commission, a final revised estimate of 25,577,150 francs was established as compared with the estimate of 23,633,150 francs voted by the Assembly in 1930, the architects giving an undertaking that, apart from unforeseen circumstances, they would keep within that limit.

The Supervisory Commission, in face of these figures, was unable to agree upon a unanimous report. Three members were in favour of adjourning the construction of the Assembly Hall and the Committee Rooms until the general financial situation of the world should improve, while two members felt that such a suspension would involve so much unavoidable waste as to make it a thoroughly uneconomic solution of the difficulty. The Council, called upon to decide between the majority and the minority view, itself decided by a majority vote against the interruption of the work.

Building operations have since been actively continued according to the revised estimates. It is hoped that the buildings will be ready for occupation in 1934.

REDUCTION OF ARMAMENTS.

ARMAMENTS TRUCE.

On January 24th, 1931, the Council decided to convene the General Conference for the Reduction and Limitation of Armaments to meet on February 2nd, 1932. In September 1931, the Assembly, desiring to contribute to the success of the Conference by creating the right atmosphere, adopted suggestions put forward by certain delegations to the effect that Governments should be urged to abstain, pending the outcome of the Conference, from any steps towards the increase of the level of their armaments. The President of the Assembly invited the States which had been asked to take part in the Conference, but which were not
members of the League, to be represented on the relevant Committee of the Assembly during
the discussions of the proposal. The invitation of the President was accepted by Costa Rica, Egypt, Turkey, the United States of America and Brazil.

The Assembly, as a result of the discussions which took place in committee, invited the Governments convened to the Disarmament Conference to become parties to an armaments truce and requested the Council to ask the Governments to state before November 1st, 1931, whether they were prepared, for one year from that date, to accept the truce.

Fifty-five Governments responded to the appeal, and all declared their willingness to accept the truce, though some made their acceptance conditional upon reciprocity or attached to their adherence interpretations and observations. The President of the Council, noting that reciprocity had in fact been achieved and that the interpretations and observations which accompanied the acceptances of certain Governments appeared to be in keeping with the spirit and letter of the resolution of the Assembly, decided to assume that, unless Governments should intimate any objection, the Armaments Truce should be regarded as accepted by the States invited to the Disarmament Conference for one year as from November 1st, 1931.

POSITION OF ARMAMENTS IN THE VARIOUS COUNTRIES.

Of the sixty-three Governments invited to participate in the Disarmament Conference, twenty-five had by September 1931 communicated information on the position of their armaments. The Assembly requested the Council to invite the Governments which had not yet forwarded information to do so as soon as possible and in any case before November 1st, 1931. Fifty-four States have, up to the present, furnished the information required.

"ARMAMENTS YEAR-BOOK."

The Secretariat published in 1932 a special edition of the Armaments Year-book for distribution to the delegations at the opening of the Conference for the Reduction and Limitation of Armaments. The edition contains monographs on sixty-two countries prepared on the basis of official publications and on information supplied by the Governments themselves.

CONFERENCE FOR THE REDUCTION AND LIMITATION OF ARMAMENTS.

The Conference for the Reduction and Limitation of Armaments was opened at Geneva on February 2nd, 1932, by Mr. Arthur Henderson. Fifty-nine States, including eight States not members of the League, were represented by delegations and one State by an observer.

The Conference, after appointing its committees to report on the credentials of delegates and to draw up its Rules of Procedure, appointed a Committee for the Examination of Petitions. Rules for the hearing of petitions were drafted and, on February 6th, the Conference, at a public and plenary meeting, heard petitions presented by women's, students' and labour organisations, religious groups, and League of Nations Unions.

The Conference, on February 4th, adopted its Rules of Procedure and decided to set up a General Commission consisting of the heads of the delegations of all the States represented. The General Commission held its first meeting on February 9th to elect its officers. Meanwhile, the Conference went into plenary session from February 8th to February 24th.

There followed a period of general discussion during which the representatives of some fifty delegations submitted verbal or written proposals or made general declarations of policy with a view to providing the Conference with a definite and practical basis for its future work.

The Conference on February 24th entered upon a further stage of its proceedings by communicating to the General Commission the draft Disarmament Convention established by the Preparatory Disarmament Commission, together with the draft texts and proposals submitted by the various delegations. At the same time, it authorised the General Commission to set up such other commissions as it might consider desirable.

The General Commission thereupon constituted five special commissions: Political, Land, Naval, Air, and National Defence Expenditure. The Political Commission, set up on the proposal of the French delegation, was appointed to examine, in particular, various proposals which had been put forward during the general discussion dealing either with the organisation of peace or with the supervisory bodies to be created with a view to ensuring the application of the Disarmament Convention.

The General Commission resolved to carry on its discussions within the framework of the draft Convention for the Reduction and Limitation of Armaments on the understanding that full liberty was reserved to all delegations to develop their own proposals in subsequent debate and to move their amendments in the form of modifications, additions or omissions at the appropriate point. It was decided that, in giving effect to this resolution, the General Commission should itself deal with questions of principle, technical questions being referred.
if and when necessary, to the special Commissions, which should report to the General Commission. Questions not requiring any preliminary discussion from the point of view of principle were to be referred by the General Commission immediately to the special Commissions, while the special Commissions might at any time submit to the General Commission any question of principle on which they required a preliminary decision.

The five special Commissions held their first meetings on February 27th. They noted that very few technical questions could be studied until the General Commission had laid down certain guiding principles, and when, on March 16th, the General Commission suspended its work, in view of the Easter vacation and in order to enable the delegations to keep in touch with their Governments, the special Commissions also adjourned their proceedings.

The General Commission, on resuming its work on April 11th, discussed certain questions of principle, arising out of Article 1 of the draft Convention, affecting the substance of the problem of the reduction and limitation of armaments and, in the course of the following two weeks, adopted resolutions to the following effect:

1. That the reduction of armaments, as provided in Article 8 of the Covenant, should, after the Conference had taken the first decisive step of general reduction to the lowest possible level, be progressively achieved by means of successive revisions at appropriate intervals;

2. That, in determining criteria for the limitation and reduction of armaments, the provisions of Article 8 of the Covenant should be applied, and that armaments should therefore be reduced to the lowest point consistent with national safety and the enforcement by common action of international obligations, account being taken of the geographical situation and special circumstances of each State;

3. That the principle of qualitative disarmament should be accepted — namely, the selection of certain classes or descriptions of weapons, the possession or use of which should be absolutely prohibited to all States or internationalised by means of a general convention;

4. That, with a view to applying the principle of qualitative disarmament, the range of land, sea and air armaments should be examined by the competent special commissions with a view to selecting those weapons whose character was the most specifically offensive or those most efficacious against national defence or most threatening to civilians.

The Land, Naval and Air Commissions resumed their work on April 26th, entering upon a detailed consideration of the armaments to which the principle of qualitative disarmament should apply in accordance with the terms of the resolution adopted by the General Commission, and the General Commission suspended any further study of the questions on its agenda pending their reports. The discussions in the special Commissions under the resolution adopted by the General Commission were concluded in the first week of June and their reports were duly forwarded to the General Commission.

Three other commissions have dealt with special questions: a Committee on Chemical and Bacteriological Weapons, a committee on Moral Disarmament and a Committee on Effectives.

ARBITRATION AND SECURITY: GENERAL CONVENTION TO IMPROVE THE MEANS OF PREVENTING WAR.

The Assembly, in 1931, approved the text of a General Convention to Improve the Means of Preventing War and decided to open it for signature by the Members of the League and by non-member States. Article 4 of the Convention provides that the Council shall, if it thinks fit, appoint commissioners to verify on the spot the execution of any conservatory measures of a military character which may be recommended by the Council and stipulates that the rules to be followed for the composition and working of commissions of inspection shall be embodied in executive regulations to be prepared by the competent organs of the League. The Assembly requested the Council to make the necessary arrangements, and the Council accordingly requested the Permanent Advisory Commission for Military, Naval and Air Questions to draw up the draft regulations in question.

The Permanent Advisory Commission, which met on April 20th and 22nd and May 3rd, 1932, framed a body of regulations dealing fully with the constitution and work of the commissions of inspection, the facilities to be accorded them by parties to a dispute and the conditions under which their Presidents would keep the Council informed of their activities. The regulations were adopted by the Council on May 18th, 1932.

On that date, the General Convention had been ratified by one Member of the League and signed by nineteen other Members.
COMMISSION OF ENQUIRY FOR EUROPEAN UNION.

The Assembly, in September 1931, requested the Commission of Enquiry for European Union to continue its work in conformity with the principles laid down in 1930. It approved, in principle, the proposal of the Commission to set up special committees to study (1) a pact of economic non-aggression and (2) the extension of a preferential system to agricultural products other than cereals, recommending, however, that the findings of the second committee should be submitted for examination to the Economic Committee of the League before being sent to the Commission of Enquiry.

The Committee to Study the Extension of Preference to Agricultural Products other than Cereals met in October 1931 and considered proposals put forward with a view to extending preference or special facilities to tobacco, raisins, figs, oranges, livestock and derivative products, timber, mohair, cotton, grapes and plums. It came to the conclusion that the measures to be taken in each case would be best determined by bilateral negotiations. It considered, however, that the attention of Governments might usefully be drawn to the critical position of the European tobacco producers, and that the Economic Committee might be asked to consider any proposals submitted to it by the countries concerned with regard to the other products under review.

The Economic Committee, noting these recommendations in January 1932, declared that it had no special observations to make.

The Committee appointed to examine the draft Pact of Economic Non-Aggression, on which non-European States were represented, met in November 1931. It discussed a draft Protocol, submitted by the Government of the Union of Soviet Socialist Republics, whereby the contracting parties were invited solemnly to affirm the principle of the peaceful co-existence of countries irrespective of their social, political or economic systems and to undertake in their mutual relations to forgo any discrimination whatever.

The Committee endorsed the general idea underlying the draft Protocol, but noted that its terms were variously interpreted and that it would be difficult to define aggression or discrimination within its framework. It found that the draft under consideration was unlikely to secure unanimous acceptance, or even acceptance by a majority of its members. It therefore decided that a further consideration of the question would be necessary, account being taken of any amendments or observations which the Governments might submit.

POLITICAL QUESTIONS.

1. APPEAL BY THE CHINESE GOVERNMENT.

The action taken by the League of Nations in dealing with the Sino-Japanese dispute, between the date of the first appeal of the Chinese Government under Article 11 of the Covenant on September 21st, 1931, and the date on which the Council referred the matter to the Assembly under Article 15, paragraph 9, of the Covenant, is described in the report submitted by the Secretary-General to the Extraordinary Session of the Assembly, which came together on March 3rd, 1932 (document A. Extr. 4.1932.VII).

The subsequent action taken by the Assembly and by the Council is described in the General Report for 1932 on the Work of the League since the last session of the Assembly (document A.6.1932).

2. MEMEL TERRITORY.

The German Government, on February 8th, 1932, drew attention to the situation which had arisen in the Territory of Memel. The President of the Directorate had been dismissed by the Lithuanian Governor and provisionally replaced. In the view of the German Government, these facts, aggravated by the arrest of the President, constituted a violation of the Memel Statute. It asked that the question should be placed urgently on the agenda of the Council under Article 17 of the Memel Convention of May 8th, 1924.

The Lithuanian Government, on February 9th, contended that its action was not contrary to the Memel Convention or the Memel Statute, representing that the Lithuanian Governor had the right to dismiss the President, who had engaged in negotiations with the German Government without the knowledge of the responsible central authorities. It added that the Governor had got into touch with the President of the Diet at Memel for the purpose of constituting a new Directorate.

The Council, on February 20th, noting an assurance of the Lithuanian Government that it intended to respect its international obligations and to establish a Directorate under the conditions laid down in the Memel Statute, observed, however, that it was important to deal with the abnormal situation which had arisen and which called for urgent steps to prevent its aggravation. It pointed out that, even though the Governor might possess the right which he had exercised, it would still be necessary to consider whether the circumstances were such as to warrant him in exercising it.

The representatives of France, the United Kingdom, Italy and Japan undertook to forward to their Governments for examination a request of the German representative that the matter
should be laid before the Permanent Court of International Justice with a view to obtaining a
decision both regarding points of law and questions of fact and, on April 11th, 1932, the Registrar
of the Permanent Court of International Justice informed the Secretariat that on that date
France, the United Kingdom, Italy and Japan had filed an application introducing a plea against
Lithuania with regard to certain disputes concerning the interpretation of the Memel Statute.

3. CLAIM MADE BY THE FINNISH GOVERNMENT AGAINST THE GOVERNMENT OF THE UNITED
KINGDOM WITH REGARD TO FINNISH SHIPS USED DURING THE WAR BY THE GOVERNMENT
OF THE UNITED KINGDOM.

The Permanent Finnish delegate accredited to the League of Nations, in a letter dated
July 30th, 1931, requested that a dispute between the Finnish Government and the Government
of the United Kingdom with regard to the use of certain Finnish merchant vessels during the
war should, in virtue of the Covenant, be submitted to the Council for examination. The
dispute relates to thirteen ships, registered at Finnish ports and belonging to Finnish nationals,
which were used by His Britannic Majesty's Government in 1916 and 1917. The Finnish
Government, on October 5th, 1920, requested the Government of the United Kingdom, on
behalf of its nationals, for a settlement of the question. It subsequently asked that, should the
Government of the United Kingdom not admit its liability, the question under dispute should
be submitted to an international tribunal for arbitration. The Government of the United
Kingdom refused to agree to arbitration and the Finnish Government thereupon referred the
matter to the Council.

The owners of the ships in question, in August 1924, submitted claims to a special British
tribunal known as the Admiralty Transport Arbitration Board, which dismissed the application.
The Government of the United Kingdom, communicating its observations to the Council on
August 28th, 1931, after dealing with various points of law and fact connected with its use of
the vessels, finally pointed out that the shipowners, having submitted their claim to the Admiralty
Transport Arbitration Board, had a right of appeal from that decision to the Court of Appeal and
ultimately to the House of Lords. The shipowners had not availed themselves of that right and,
the local remedies not having been exhausted, the Finnish Government had no title to make
a diplomatic claim in the matter; still less could it claim as of right that the matter should be
referred to arbitration.

The Finnish representative, at a meeting of the Council on September 14th, 1931, urged
that the dispute was plainly of an international character and that the settlement of the claim
came within the categories enumerated in Article 13 of the Covenant and Article 36, paragraph 2,
of the Statute of the Permanent Court of International Justice. The British representative
contested these declarations and insisted that the matter before the Council was a private
question between the Government of the United Kingdom and foreign nationals.

The Council, on September 19th, 1931, appointed a Committee to consider whether it was
desirable that it should deal with questions such as that submitted to it by the Finnish
Government. The Committee, after considering various memoranda submitted by the parties
and hearing their statements and explanations, reported to the Council in January 1932. It
considered that the Council was competent to deal with the question under Article 11, paragraph
2, of the Covenant, but expressed the view that it would be expedient to examine first the two
following questions:

(a) Have the Finnish shipowners or have they not exhausted the means of recourse
placed at their disposal by British law?
(b) Would the fact that the shipowners had not exhausted the means of recourse in
question constitute an obstacle such as to prevent the Finnish Government from claiming
compensation from the Government of the United Kingdom?

The Committee suggested that the Council might, if necessary, ask for an advisory opinion
from the Permanent Court of International Justice on any point relating to these two questions.
The representative of the United Kingdom undertook to communicate the report of the
Committee of the Council to his Government for consideration, and the Council thereupon
decided to postpone a further study of the question to a later session.

The two Governments concerned subsequently entered into direct negotiations upon the
conclusions reached by the Committee of the Council, and the Council was duly informed that
they had, by an exchange of notes, agreed on the method by which the first two questions
arising out of the Finnish claim should be settled.

4. THE STRAITS COMMISSION.

The Secretary-General has received the seventh annual report of the Straits Commission
forwarded to the League of Nations under Article 15 of the Straits Convention of July 24th,
1923. The report has been communicated to the States Members of the League, to the Powers
that signed the Straits Convention and to the technical organisations of the League.
ADMINISTRATIVE QUESTIONS.

THE TERRITORY OF THE SAAR.

The Council, during its sessions held in September 1931 and January 1932, dealt with the question of the proposed loan to be issued by the Governing Commission of the Saar and the appointment of the Chairman and members of the Governing Commission.

The Governing Commission, in a proposal submitted to the Council in August 1931, suggested that it should be authorised to contract a loan of 150 million French francs with the object of enabling the Saar districts and communes to consolidate their short-term debts. The Financial Committee, requested by the Council to examine the proposal with the assistance of the Governing Commission, expressed the opinion that the financial situation of the Saar Territory was sound and that the service of the proposed loan should place no undue strain upon its finances. It felt, however, that the Council, in view of the uncertainty of the position after 1935, when the future situation of the Saar Territory would be determined by plebiscite, should make a declaration to the effect that, in determining the future status of the Saar, the necessary measures would be taken to protect the interests of the lenders. The Council has formally approved the recommendations of the Financial Committee.

The Council, on January 30th, 1932, appointed the five members and Chairman of the Governing Commission for a period of one year as from April 1st, 1932.

The Governing Commission, during the period covered by its reports to the Council in the period under review, gave special attention to measures taken to deal with unemployment, to regulate economic and exchange transactions with the German Reich and to effect economies in the administration.

FREE CITY OF DANZIG.

The Council, during its sessions in September 1931, January 1932 and May 1932, dealt with questions relating to the amendment of the Constitution of the Free City, the general situation at Danzig, access to and anchorage in the Port of Danzig for Polish war vessels, use of the Port of Danzig by Poland, the treatment of Polish nationals and other persons of Polish origin or speech at Danzig, railway matters and a contention on the part of the Government of the Free City that the Polish Government, by issuing certain instructions to the Danzig Customs Administration, had proceeded to measures which constituted "direct action" on the part of Poland as against the Free City.

The Bill for the amendment of the Constitution of Danzig, approved by the Council of the League on September 19th, 1931, passed its second reading on October 2nd, 1931. It provides for a reduction in the salaries and pensions of officials and employees on the active list and retired officials and their surviving dependents.

The High Commissioner, in a report to the Council on August 15th, 1931, intimated that the Danzig Senate had issued a certain number of decrees designed to ensure the maintenance of public order in the Free City, which was still disturbed by party strife. The new measures placed considerable restrictions on citizens wearing uniform as compared with the rights enjoyed by other citizens. The High Commissioner also called attention to a dispute which had arisen between Poland and Danzig arising out of the sending of detachments ashore by Polish warships anchoring in the port of Danzig and to certain demonstrations organised in the territory of the Free City by parties of German and Danzig nationals in favour of the return of Danzig to the German Reich. Reference was also made to the economic and financial situation of the Free City and to the problem of unemployment and of Polish labour in Danzig.

In a supplementary report to the Council, dated August 20th, the High Commissioner called attention to the position which had arisen as between Danzig and Poland regarding access to and anchorage in the Port of Danzig for Polish war vessels. The provisional agreement of October 8th, 1921, had been denounced by the Free City and the time limit for the negotiation of a further agreement expired on August 15th, 1931. The Senate of the Free City had proposed to extend the time limit by one month and had intimated that, if the negotiations did not result in an agreement within that period, it would consider any use of the Port of Danzig by Polish war vessels which was not in strict conformity with the international regulations in force as constituting "direct action" on the part of Poland as against Danzig within the meaning of that term as defined by the Council in a resolution adopted on March 13th, 1925.

The Council, on September 9th, 1931, decided to ask the Permanent Court of International Justice for an advisory opinion and requested the High Commissioner, pending a final decision, to draw up provisional regulations which should in no wise prejudice a final solution of the question.

The Permanent Court of International Justice, on December 11th, 1931, gave an opinion, which was adopted by the Council in January 1932, to the effect that the relevant treaties and decisions did not confer upon Poland rights or attributions as regards access to or anchorage in the Port and waterways of Danzig for Polish war vessels. The Danzig Government thereupon stated that it was willing to prolong, until April 1st, 1932, the validity of provisional
regulations issued by the High Commissioner in order to enable the Polish Government to state its wishes regarding the special facilities appropriate to local circumstances which the Danzig Government was willing to grant to Polish warships.

The High Commissioner, on October 26th, 1931, gave his decision on the question of the full use of the Port of Danzig by the Polish Government. The Government of the Free City and the Polish Government both appealed to the Council against the decision of the High Commissioner and the questions raised by these appeals were considered by a Committee of Jurists in April 1932. The Council, in May 1932, confirmed several points in the decision of the High Commissioner, but requested that further statements from the parties should be furnished to the High Commissioner with a view to a decision being taken on the question whether the Polish Government is in fact making full use of the Port of Danzig under the relevant decisions and agreements.

The Polish Government, in September 1931, asked that certain measures taken by the Danzig Customs authorities with a view to regulating the finishing trade at Danzig should be declared as constituting a breach of treaty provisions. The Polish Minister of Finance subsequently instructed the Danzig Customs Administration to put a stop to the trade within a specified time limit. The Danzig Customs Administration refused to comply with that request, whereupon the Polish Ministry of Finance took measures with a view to preventing goods subject to the finishing trade at Danzig from entering Poland. The Government of the Free City, on January 29th, asked the High Commissioner to declare that these measures constituted "direct action" on the part of Poland as against Danzig and to decide that the Polish Government must withdraw them.

The High Commissioner took a provisional decision to the effect that the action of the Polish Government did in fact constitute direct action. The Polish Government, on May 8th, 1932, lodged an appeal against the decision of the High Commissioner and the Council entered upon an examination of the question during its May session.

The Council, on May 19th, 1932, affirmed that a provisional decision of the High Commissioner regarding direct action should be immediately executed in letter and in spirit. The Polish Government withdrew its appeal and it was agreed that, pending a settlement by the High Commissioner of the concrete questions involved, the measures taken by the Polish Ministry of Finance would not be applied in such a way as to prejudice the final solution.

GRECO-BULGARIAN MIXED COMMISSION.

The Greco-Bulgarian Mixed Commission completed its work on January 31st, 1932, and a report on the results of its activities has been communicated to the Council and to the Members of the League of Nations. It appears from the report that some 100,000 Bulgarians from Macedonia and Thrace and some 50,000 Greeks from Bulgaria have benefited from the application under the direction of the Mixed Commission of the Emigration Convention of November 27th, 1919.

PROTECTION OF MINORITIES.

Since the last session of the Assembly, the Council has continued to deal with a number of questions previously submitted to it; in particular, the position of the German minority in the Voivodies of Silesia, Poznan and Pomorze (Poland); petitions from the Prince of Pless concerning the situation of his father's property in the Voivodie of Silesia; and petitions from descendants of the former Szekler (Hungarian) Frontier-Guard Regiment concerning measures taken by the Romanian authorities in regard to their property. It has further been asked to deal with two new questions — namely, the position of the Ukrainian minority and the application of agrarian reform in Poland.

The customary procedure followed in dealing with minorities petitions has been regularly applied. Minorities Committees have met at frequent intervals and the members of the Council not represented on these Committees have been duly informed by letters addressed to the Secretary-General of the results of the examinations of the petitions considered. In a number of cases, the letters have been made public, with the consent of the Government concerned, in conformity with the Council resolution of June 13th, 1929 (paragraph 5). In one case, with the agreement of the Government concerned, a communication was issued to the Press by the Committee in the course of its examination. This procedure gave rise to reservations on the part of certain Governments which are parties to minority undertakings and, on their request, the relevant correspondence was communicated by the Secretary-General to all the Members of the Council.

The question, submitted to the Council in January 1931, of the position of the German minority in the Voivodies of Silesia, Poznan and Pomorze is now closed. The Council in its final conclusions observed that its task was to ensure normal relations in the future between the Polish authorities and the German minority in these districts and it was noted that the Polish representative had given assurances that his Government would make every effort to inspire in the minority the feeling of confidence without which it would be impossible to establish co-operation between the minority and the State. Allusion was made in this
connection to the appeal made by the President of the Council in January 1931 to the
majority to realise that the suppression of the rights of the minority was not in accordance
with its interests and to the minority to realise that it was in its true interest to co-operate
loyally with the Government of the country in which it lived.

The position of the Ukrainian minority in Poland was brought to the notice of the Council
by the members of a Minorities Committee in September 1931 and the Council considered the
question in January 1932. The petitions in the case related chiefly to events which took place
in the Voivodies of Lwow, Stanislawow and Tarnopol during the summer and autumn of 1930.
It was alleged that the Ukrainian population had been treated by the Polish authorities in
a manner contrary to the provisions of the Polish Minorities Treaty and that the Polish
Government, in repressing certain disturbances in the Ukrainian villages, had instituted a
system of violence and tyranny.

The detailed particulars communicated by the Polish Government seemed, in the
opinion of the Rapporteur, “to dispose of the idea that it had any intention of pursuing a
systematic policy of oppression and violence towards the Ukrainian minority”, and the
documents submitted to the Council appeared to indicate that a terrorist and revolutionary
campaign had been started in the territory of Eastern Galicia, notably during the summer
of 1930, by certain Ukrainian nationalist organisations. The Council felt bound to express its
explicit and formal condemnation of any endeavour to ensure respect for the rights of a minority
by such means and methods. It observed, however, that the situation which had arisen could
not justify on the part of the authorities conduct such as that revealed in the information
provided and noted that the Polish Government had itself duly taken disciplinary action to
prevent the renewal of such events, though it had not, to the regret of the Council, felt able
to grant compensation to the innocent victims. It expressed the hope that the Polish Govern-
ment would maintain its line of conduct with the necessary tenacity and that its policy of
conciliation would arouse among the population concerned the spirit of loyalty which was
an essential condition for the success of that policy.

The German Government called the attention of the Council to the question of the
application of agrarian reform in Poland in January 1932 and the Council in May 1932 gave
its consideration to the matter. A Committee of the Council, composed of the Rapporteur on
minorities questions, assisted by the English and Italian members of the Council, has been
instructed to prepare and submit a report to the Council in September 1932.

The Polish representative observed that the German Government was appealing to the
Council in regard to a matter which had previously been submitted to a Minorities Committee
of the Council. He urged that the aim of the procedure before the Minorities Committee had
been to eliminate as far as possible direct intervention by individual members of the Council
and he expressed the view that a parallel and simultaneous application of two procedures was at
variance with the resolutions upon minority procedure adopted by the Council. The Polish
representative further contended that the representative of Germany, by quoting before the
Council a letter to the Secretary-General by which the members of a Minorities Committee
had informed the other members of the Council of the conclusions at which it had arrived on a
previous occasion concerning the application of the agrarian reform in Poland, had deliberately
infringed the procedure in force, which required that the publication of such a letter should only
take place with the consent of the Government concerned.

The German representative explained that the appeal of the German Government to the
Council was due to a conviction that measures taken by the Polish authorities were not in harmony
with the conclusions previously reached by the Minorities Committee and he hoped that the
procedure now to be applied by the Council would put an end to any divergencies of opinion as
to the practical effect of those conclusions. He protested against the contention that to quote
before the Council a letter from a Minorities Committee was an infringement of the established
procedure, such a letter being a necessary document in the case.

The Polish representative reserved the right of his Government to raise the question of
procedure at a subsequent meeting and the French representative expressed the view that it
might be necessary for the Council or some other body, for instance, the Sixth Committee of the
Assembly, to deal with the question of procedure.

The Council, in September 1931, decided to defer its consideration of the petitions from the
descendants of the former Szekler (Hungarian) Frontier-Guard Regiment in the hope that it
would be settled by direct negotiations between the Roumanian Government and the petitioners.
The petitioners represent that property belonging to the descendants of the Szekler (Hungarian)
Frontier-Guard Regiment have been taken over by the Roumanian Government without
compensation, whereas properties belonging to the descendants of two Roumanian Frontier-
Guard Regiments have been maintained in their previous position under the agrarian legislation
of the Roumanian Government or by arrangement. The Council was asked to decide whether
the action of the Roumanian Government could be regarded as discriminatory treatment in
violation of Article 9 of the Roumanian Minorities Treaty. The Roumanian Government
contended that there was a fundamental difference between the position of the properties of
the Hungarian Regiment and the two Roumanian Regiments. The Roumanian properties were
held in full ownership, whereas the Hungarian property had belonged to the Hungarian
Government, the members of the regiment enjoying only a usufruct. It further contended that
the question of the proprietary rights over the property fell within the sole jurisdiction of the Roumanian Courts and that the petitioners were bound to exhaust the ordinary legal remedies before applying to the League.

The Council, at its session in May 1932, having received a report presented by a Committee of Jurists, appointed in January to study this preliminary question, felt that it would be in the interests of all concerned if a practical solution of the problem could be found by negotiation and the Roumanian Government accepted a suggestion that its representative should for this purpose enter into negotiation with the Rapporteur, assisted by the representatives of Norway and the United Kingdom. It was pointed out that, in the event of a solution being found, it would not be necessary for the Council to express an opinion on the conclusions of the report of the jurists. The Roumanian Government agreed to afford the Rapporteur any facilities necessary for acquiring a thorough knowledge of the elements of the question and a report on the result of these negotiations will be submitted to the Council in September 1932.

The Council, during its sessions in January and in May 1932, examined in detail a petition from the Prince of Pless regarding the situation of his father's property in the Voivodie of Silesia. The Prince of Pless represented that pressure had been exercised by the Polish authorities with a view to the ultimate Polonisation of his father's undertakings in the Voivodie, alleging that discrimination had been exercised by the Polish authorities by curtailing the share of the Pless mines in the coal deliveries for the State railways and by certain fiscal measures taken against the Pless management. The Council came to the conclusion that the reduction of the coal quota of which the petitioner complained could not seriously affect the economic stability of his undertakings and noted that the coal orders of the Polish State had been reduced in April 1930 for all the Silesian firms. Moreover, the fiscal measures taken by the Finance Administration, of which complaint was made, had been completely and finally annulled by the Polish Government. The Council, therefore, concluded that the case might be regarded as having been satisfactorily settled.

A further petition from the Prince of Pless, however, on the same question, was communicated to the Council on March 29th, 1932. The Council was informed on May 18th, 1932, by the German representative, that his Government would submit the question to the Permanent Court of International Justice for a decision under the Geneva Convention of May 15th, 1922. The Council accordingly declared its consideration of the matter to be closed.

MANDATES.

GENERAL WORK OF THE MANDATES COMMISSION.

The Council, in September 1931, reviewed and approved the observations and recommendations of the Mandates Commission, adopted during its twentieth Session, regarding the administration during 1930 of the mandated territories of Iraq, Palestine, Syria and the Lebanon, South West Africa, New Guinea and Nauru.

The Mandates Commission, during its twenty-first session, held in Geneva from October 26th to November 13th, 1931, reviewed the administration for 1930 of the mandated territories of Tanganyika, the Cameroons and Togoland under French mandate, the Cameroons and Togoland under British mandate, Ruanda Urundi, Western Samoa and the Islands under Japanese mandate.

The Commission had frequent occasion to consider the situation which, as a consequence of the present economic crisis, had arisen in the mandated territories, where prosperity was largely dependent on the ruling prices of raw materials. The Commission asked that the mandatory Powers should supply it with adequate reports on the policy which they intended to follow in dealing with the resulting financial and economic problems and hoped that the necessary budget economies might not compromise the development of public services and native administration.

TERMINATION OF THE MANDATE FOR IRAQ.

The Council, on September 4th, 1931, noted the conclusions reached by the Permanent Mandates Commission, during its twentieth session, regarding the general conditions to be fulfilled before a mandate could be brought to an end in respect of a mandated territory and decided that, whenever a proposal might be made to emancipate a mandated territory, its degree of maturity should be determined in the light of the principles laid down by the Commission after a searching investigation of the particular case. The British representative thereupon expressed the hope that the Mandates Commission would study without delay the special question whether the mandate for Iraq might be terminated, and the Council requested the Commission to submit its opinion on the proposal of the British Government for the emancipation of Iraq in the light of the general conditions previously stipulated.

The opinion of the Mandates Commission was submitted to the Council during its session held in January 1932. The Commission pointed out that, apart from petitions, its information had been derived solely from the annual reports of the mandatory Power, which must therefore
be held responsible for the view that the progress achieved by the country justified the step proposed. The accredited representative of the mandatory Power had, in fact, declared to the Mandates Commission that his Government fully recognised its responsibility in recommending that Iraq should be admitted to the League and that the moral responsibility must rest with H.M. Government if Iraq should prove herself unworthy. The Commission, but for that declaration, would have been unable to contemplate the termination of a system which had some years ago appeared to be necessary in the interests of all sections of the population. It agreed with the accredited representative that the attainment of an ideal standard of administrative efficiency and stability was not a necessary condition for the termination of the mandatory regime in Iraq, which could not justifiably be expected to challenge comparison with the most highly developed and civilised nations of the modern world.

Iraq, in the opinion of the Commission, possessed a settled government and an administration capable of maintaining the regular operation of essential government services; it was able to maintain public peace throughout the territory; it had at its disposal adequate financial resources to provide regularly for normal government requirements; it possessed laws and a judicial organisation likely to afford equal and regular justice to all. Though Iraq could not be regarded as able to maintain its territorial integrity and political independence against a foreign aggressor by means of its own national forces, she would, if admitted to the League, enjoy the guarantees of security afforded by the Covenant and, in case of attack, would also, under the Anglo-Iraqi Treaty of Alliance of 1930, be entitled to claim the immediate assistance of the United Kingdom. The Commission, examining the undertakings entered into by Iraq with the United Kingdom, expressed the view that the provisions of the Treaty of Alliance did not explicitly infringe the independence of the new State and were compatible with an independent status.

There remained the question of the guarantees to which Iraq should be asked to subscribe before being released from the mandatory system. First came the guarantees under which effective protection would be accorded to racial, linguistic and religious minorities. These guarantees might be secured by means of a declaration to be made by the Iraqi Government before the Council of the League of Nations and by the acceptance by Iraq of the procedure laid down by the Council for dealing with petitions concerning minorities.

Next came the guarantees required to safeguard the interests of foreigners in judicial matters. Should there be a return to the system of capitulations? Or should that system be replaced by an undertaking to be entered into by Iraq before the Council? Further guarantees would be required to ensure freedom of conscience and public worship, the free exercise of the religious, educational and medical activities of missions, respect for rights legally acquired under the mandatory system and the maintenance in force of international conventions. The Council must also be assured that the financial obligations assumed by the mandatory Power would be carried out and, finally, that the principle of economic equality would be safeguarded, all States Members of the League of Nations being, as a transitory measure, accorded most-favoured-nation treatment.

The Council, reviewing the recommendations of the Mandates Commission in January 1932, decided that the information available was sufficient to show that Iraq had satisfied the conditions which had been laid down as necessary to the emancipation of a mandated territory.

It declared itself prepared, in principle, to terminate the mandate as soon as Iraq had given the required undertakings. It requested a committee, consisting of such of its members as had been dealing particularly with minorities questions, questions of international law and mandates to prepare, in consultation with representatives of the Iraqi Government and, if necessary, with a representative of the Permanent Mandates Commission, a draft declaration covering the various guarantees recommended by the Commission. It was understood that a decision to terminate the mandate for Iraq, after examination of the undertakings to be given by the Iraqi Government, would become effective only as from the date on which Iraq was admitted to the League of Nations.

The Council examined the report of its Committee during its session in May 1932. The Committee, which had previously consulted the Prime Minister of Iraq, submitted a precise and comprehensive declaration which covered the protection of minorities, economic equality under the most-favoured-nation clause, judicial organisation, acquired rights and financial obligations, freedom of conscience and the right of appeal. The declaration was approved by the Council, together with the report and recommendations of the Committee.

The general minority provisions of the declaration are similar to those embodied in existing Minorities Treaties, but special clauses refer to the personal status and family law of the non-Moslem minorities, the use of the Kurdish language officially in Kurdish districts and the recruiting of officials. Iraq undertakes to grant most-favoured-nation treatment for a period of ten years to all Members of the League on condition of reciprocity. Provision is made for a uniform judicial system applicable to Iraqis and foreigners alike. Iraq agrees to consider herself bound by the international agreements and conventions to which she has become a party during the mandatory period. She undertakes to respect all rights of whatever nature acquired before the termination of the mandatory system by individuals, associations, or juridical persons, and to fulfill all financial obligations assumed on her behalf by the mandatory Power.
Any Member of the League of Nations may draw the attention of the Council to infringe-
ments of the conditions of the declaration, and any Member of the League represented
on the Council may request that any differences of opinion thereon with Iraq shall be referred to
the Permanent Court of International Justice.

The Council was requested to approve the action which the British Government would
take, on the acceptance of the declaration by Iraq, with a view to obtaining the consent of
Powers whose citizens enjoyed capitulary rights in the former Ottoman Empire to renounce
them in future, since the new statute contemplated for Iraq would render such jurisdictional
privileges superfluous.

FRONTIER BETWEEN SYRIA AND IRAQ.

The Council, in December 1931, examined a joint request by the British and French
Governments relating to the delimitation of the frontier between Iraq and Syria. Differences
of opinion had arisen between the two Governments as to the determination of the frontier
under the Convention of December 1920, and the parties were of opinion that it was not within
the competence of a Delimitation Commission, appointed under that Convention, to modify
the boundary to an extent sufficient to remove features which were regarded as being
unsatisfactory.

The Council decided to set up a Commission to collect full information on the spot and to
make such suggestions as might assist it in taking a final decision.

The Council, in January 1932, at the request of the British and French Governments,
approved an agreement concluded between them on October 31st, 1931, concerning the Syrian-
Jebel Druse-Transjordan frontier. In view of the importance of an immediate settlement
of the question, the Council took the view that it was not essential previously to refer the matter
to the Permanent Mandates Commission, whose opinion would in other circumstances have
been requested.

ECONOMIC QUESTIONS.

ECONOMIC RELATIONS IN EUROPE.

The Economic Committee was instructed by the Assembly in 1931 to study, on the basis
of the preparatory work done by the Secretariat and the observations submitted by Governments,
the possibility of securing closer economic relations between the countries of Europe.

The Committee has not so far been able to do more than hold a preliminary discussion
on the subject, as several Governments have not yet indicated their views. It has, for the
moment, arrived at only one definite conclusion — namely, that the present situation is of
such an exceptional character that it is perhaps premature to contemplate any plans for the
future, pending a return of international trade to more normal conditions.

INFLUENCE OF THE ECONOMIC AND FINANCIAL DEPRESSION ON INTERNATIONAL TRADE.

The Economic Committee devoted a large part of its sessions in October 1931 and January
1932 to the disturbances caused by the world economic depression to international trade and,
in a report to the Council in October 1931, it dealt, in particular, with the safeguarding and
defensive measures adopted by States in order to meet the present difficulties.

The public authorities of certain countries have found it necessary to intervene in various
spheres of commercial and financial activity of importance to their foreign relations. They
restrict imports in an attempt to redress the balance of payments and make efforts to ensure
a surplus of foreign currencies in order that their financial obligations towards foreign countries
may be met. They bring under control the trade in foreign currencies, with a view to preserving
them either for the support of their own currency or for the purchases which are considered
to be most useful to the national economy. Countries the monetary situation of which has
remained relatively strong also take restrictive measures on the ground that a general decrease
in purchasing power and a depreciation of currency are restricting their markets, while, at
home, sales at low prices, effected by countries in financial difficulties, swell their imports
to an abnormal extent and threaten them with an extension of unemployment.

The general introduction of import prohibitions and restrictions and the establishment
of monopolies or a control of dealings in foreign exchange tend to make commercial relations
precarious and unstable and, if generally introduced, must ultimately paralyse international
trade. Restrictions become increasingly more severe and, as between countries which apply
them, tend to be mutually destructive. Such measures are admittedly regarded by the countries
taking them as at the moment imperatively necessary and as being the only means of preventing
a financial and economic collapse. If, however, they cannot be avoided, it is essential that
they should be attended by precautions and guarantees calculated to limit their harmful
effects as much as possible. A Government putting such measures into force to meet a critical
situation should, for example, previously consult the other Governments concerned, and the measures should be concerted with the States which are bound to feel their effects. Steps should be taken to prevent them from being diverted from their immediate purpose and constituting a form of indirect protectionism, and they should be regarded as essentially temporary.

The Economic Committee again emphasises the necessity of securing the utmost possible freedom of trade. It recognises, however, that it will only be practicable to secure greater freedom of circulation of goods, capital and services by restoring public confidence and urges that such a development is impossible until all uncertainty has been dispelled as to the solution of important international problems which are not all of an economic character.

The views expressed by the Economic Committee in October 1931 were repeated with greater emphasis in January 1932, when it definitely expressed the opinion that the general result of national measures to cope with the effects of the crisis was almost inevitably to prolong and seriously to aggravate it. The Committee pointed out that, in dealing with the complicated problems which had arisen between creditor and debtor countries, only two methods were available — action in the sphere of financial obligations towards foreign countries (debts) or measures designed to influence foreign trade (imports and exports). Though the economic crisis was largely due to the charges resulting from debts, particularly private debts, the countries affected were turning their attention almost exclusively to measures intended to influence foreign trade. The different States were still endeavouring, by regulating foreign exchanges, to protect their national currency and credit, and still making efforts to protect national production against the import of cheap goods. The debtor countries were bound to restrict their imports and to increase their exports. The creditor countries found that their credits and their exports were alike endangered by these proceedings and were driven to take counter restrictive measures. The resulting situation was a paradox: the creditor countries, soundest financially, should, on financial grounds, encourage exports from the debtor countries, since the debtor countries could only find the means necessary to meet their obligations by increasing their trade. Nevertheless, the creditor countries were setting up barriers against foreign imports and thus depriving their debtors of the capacity to pay.

The Economic Committee, in these circumstances, realising that the financial interests of the different countries are often utterly at variance with their economic interests, finds itself unable to put forward any useful suggestions for trade policy until there has been a settlement of international financial obligations. It points out that a continuation of the present conditions must inevitably place the creditor countries in a serious dilemma. Either they must lower barriers to imports from debtor countries or expect to see the prospects of recovering their debts correspondingly reduced.

ENQUIRY INTO THE INTERNATIONAL SITUATION OF CERTAIN BRANCHES OF PRODUCTION.

The Economic Committee, continuing its enquiry into the international situation of certain branches of production, has organised consultations of experts to consider the situation in respect of coal, timber and hops.

The coal experts, including representatives of Governments, employers, workers and the consuming countries, met in January and emphasised the urgent necessity for an international coal agreement.

The experts in timber, consulted in April 1932, expressed themselves in favour of some regulation of exports and, as a result of their meeting, representatives of the exporting countries in northern Europe opened negotiations on a commercial basis. It was hoped that an agreement between these countries would pave the way to a general agreement between all the exporting countries of northern and central Europe.

The experts on hops, who met in February 1932, were in favour of developing and regulating the cultivation of hops and were of opinion that the constitution of an International Hops Bureau would make it possible to strengthen relations between the producers in the various countries on a really international basis.

AGRICULTURE.

The Economic Committee, after consulting its agricultural experts, has decided that, in present circumstances, it would not be opportune to call together a conference of agriculturists with a general agenda and that, for the moment, studies of agricultural products should be confined to exploring the possibility of international agreement in respect of special commodities.

CUSTOMS NOMENCLATURE.

The Committee of Experts on the Unification of Customs Nomenclature has held four sessions since the Assembly in 1931, and the work entrusted to it by the Economic Committee in 1927 is now completed. The draft nomenclature, with explanatory notes, will be forwarded.
to the Governments of all the States Members and non-members of the League for their consideration and comments. The experts, after reviewing the observations of the Governments, will give to the draft nomenclature a final form for immediate practical application.

**INTERNATIONAL INDUSTRIAL AGREEMENT.**

The Economic Committee has continued its study of the economic aspects of international industrial co-operation. A review of the economic aspects of several international industrial agreements, published by its experts in the autumn of 1930, was followed, in the autumn of 1931, by a general report on the subject. The experts analyse the various forms of industrial agreements which have been concluded and discuss their effects both on the industries which have formed a trust and on the consumers and workers. They also deal with the relations between such agreements and tariff policy and their relation to public authority.

**PROCEDURE FOR THE FRIENDLY SETTLEMENT OF ECONOMIC DISPUTES BETWEEN STATES.**

The Economic Committee was instructed by the Assembly in 1930 to submit definite suggestions with a view to the constitution of a permanent organ of conciliation and arbitration for the settlement of all disputes of an economic nature arising between States. The Committee in January 1932 submitted a report to the Council in which, after describing the present system of bilateral and international agreements for the pacific settlement of disputes, it declared itself nevertheless in favour of providing States with a possibility, if they so desired, of recourse to a procedure which, while it would not affect rights and obligations arising under existing agreements, would be elastic, rapid and simple to the desired degree.

The Committee suggested the appointment by the Council of a body of experts from whom the parties might at any time freely elect persons to whom they would entrust their economic disputes, either by arbitration or conciliation. The Council in January 1932 approved the scheme and decided to place at the disposal of the Members of the League a body of experts prepared to act on the request of any States which might wish to avail themselves of the procedure.

**Bribery and Unfair Practices.**

The Council in January 1932 considered a report of the Economic Committee embodying the results of its enquiries into the possibility of eliminating unfair commercial practices and resort to bribery as a means of competition. The Committee observed that many countries had already adopted legislation on the subject, but that, if the campaign against bribery was to become effective, it would be necessary to secure the co-operation of commercial and industrial circles and the education of public opinion.

The Council has communicated the report to the various Governments, in order to obtain further information on the subject and to ascertain their views on the possibility of framing an international Convention to secure protection from unfair forms of competition for the nationals of the contracting parties.

**Convention for the Regulation of Whaling.**

A draft Convention for the regulation of whaling, prepared by the Economic Committee, was examined by a special Committee of Experts during the twelfth session of the Assembly in 1931 in the light of the observations submitted by the Governments concerned. The final draft of the Convention was approved by the Assembly on September 24th, 1931, and opened for signature.

The object of the Convention is to prohibit the capture or killing of certain species of whales which have become extremely rare and to secure the fullest possible use of the whales whose capture continues to be authorised.

On March 31st, 1932, the date on which the period during the Convention remained open for signature expired, it had been signed on behalf of the following countries: Albania, Australia, Belgium, Canada, Colombia, Czechoslovakia, Denmark, Finland, France, Germany, Great Britain and Northern Ireland, Greece, India, Italy, Mexico, The Netherlands, New Zealand, Norway, Poland, Roumania, the Union of South Africa, Spain, Switzerland, Turkey, the United States of America and Yugoslavia.

**Economic Intelligence Service.**

The *Statistical Year-Book of the League of Nations* for 1931-32, published in June, contains for the first time indices of the world production of raw material of foodstuffs established by the League of Nations, a table on balances of payments of some thirty countries expressed in dollars and detailed statistics showing conditions of unemployment and employment by industries.
The Review of World Trade, 1930, published in December 1931, describes the main tendencies which have prevailed since the beginning of the economic depression in 1929.

International Trade Statistics, 1930, published in April 1932, covers the years 1928 to 1931 and contains the detailed trade statistics for sixty-four countries.


The Review of World Production, 1931, covers the period from 1925 to 1931, and the Memorandum on Commercial Banks, published in 1932, gives for the first time in a single volume a scientific analysis of the development of commercial banking in the world as a whole and of the position of the banks in each country.

The Economic Intelligence Service has under preparation a World Economic Survey, 1931-32, which will be published in August. It presents in a popular form a description and an analysis of world economic developments during the past ten years.

ECONOMIC AND FINANCIAL CRISIS.

Resolution adopted by the International Labour Conference on April 30th, 1932.

The Director of the International Labour Office, on May 5th, 1932, forwarded to the Secretary-General the text of a resolution adopted by the International Labour Conference at its sixteenth session. The International Labour Conference desired that the attention of the Council of the League of Nations and of all the Members of the International Labour Organisation and of the League should be drawn to the following suggestions:

1. That Government delegates authorised to that effect should be given instructions to draw up a list of big international public works for economic equipment and for national works on a large scale calculated to encourage the general economic development of the countries concerned, to make the financial arrangements necessary for that purpose and to arrange for the works to be undertaken without delay;

2. That the League of Nations and the International Labour Organisation should be invited to the Conference convened at Lausanne to settle the problem of reparations and other international political debts;

3. That States should take joint action to settle the general problems of currency and credit and to lay the foundations for a stable international monetary system;

4. That the problems of production and international trade should be examined by Governments in collaboration with delegates appointed by organisations of employers and workers in various countries for the purpose of concluding such international conventions as might ensure a resumption of economic activity.

The Council, on May 21st, 1932, noted the resolution adopted by the International Labour Conference and referred it to the Assembly. It requested the Committee of Enquiry on Public Works and National Technical Equipment to accelerate its proceedings and declared that the various League organisations would be at the disposal of the Lausanne Conference, should it express a desire for their assistance.

The Council further decided to lay before the Assembly the question of the summoning of a world conference to consider problems of international production and trade with a view to the conclusion of international conventions, and instructed the Secretariat to make the necessary preliminary investigations.

FINANCIAL QUESTIONS.

General Observations.

The Financial Committee of the League has, since the last Assembly, been fully occupied with the constantly increasing difficulties created by the world depression for States which have in the past reorganised their finances with the aid of the League. The Committee has held four sessions since last September, extending altogether over a period of more than two months.

The Committee observed, in September 1931, that the causes and circumstances of the present crisis were radically different from those prevailing at the time when the League undertook its various schemes of reconstruction. Former difficulties had been due to local inflation and rising money prices. The existing difficulties, on the contrary, were due to a fall of money prices in all parts of the world, with a consequent increase in the real value of money wages and in the burden of money debts, aggravated by decreases in the profits of enterprise. The Committee emphasised that, though individual methods of restriction in particular countries were undoubtedly necessary, a successful solution of present difficulties must depend upon an early solution of the general world price problem, which was equally pressing in all the great primary producing countries.

The Committee, while devoting special attention to the problems of individual States, has since repeatedly reverted to the importance of dealing promptly with the general financial

1 See under Public Works, page XXII.
problem, and the measures which it has recommended in particular cases have been put forward in the hope that the interested Powers would shortly be able to settle the major financial questions and, more particularly, the question of political debts.

In March 1932, of the four countries with which the League had been particularly concerned, Austria had already been compelled to arrange for a Stillhalte covering the principal of most of its banking debts. Hungary had declared a moratorium of transfer on the great bulk of her external obligations, both public and private, while Greece and Bulgaria had declared their inability to meet in full the service of their foreign debt in foreign currencies. The fundamental causes of these failures were not to be sought in defects of internal administration or policy, but were owing to a collapse in world prices of which had, in respect of raw materials and foodstuffs, fallen since 1928 by approximately 40 per cent, while the burden of fixed charges on producers of such commodities had increased by some 70 per cent.

The Financial Committee urged that it was of paramount importance for creditor States to take prompt steps to remove the barriers established to the detriment of countries which had been forced to adopt temporary measures for the control of their currencies, and it recommended, as an immediate and specific measure, a system of secured loans to be placed at the disposal of certain Governments requiring financial assistance. The desirability of establishing closer economic relations in Central Europe at the earliest possible moment was emphasised. Finally, the Committee submitted to the Council considerations regarding the action which should be taken by a country which could not meet its foreign obligations, at the same time warning the debtor States against taking steps which might in the future do irreparable harm to their credit.

The Council, on May 21st, 1932, requested the Financial Committee to appoint a delegation to consider, with the assistance of Government experts, the financial problems raised in the general section of its report with a view to the submission of specific proposals at a later date.

Austria.

A request that the Council should examine the economic and financial difficulties of Austria was forwarded to the Secretary-General by the Austrian Government on August 7th, 1931, and the Financial Committee, in September 1931, examined the position with the assistance of the Federal Chancellor.

The Chancellor enumerated the measures which he intended to take to remedy the situation. They included an immediate reduction of expenditure with a view to substantially decreasing the deficit estimated for the current financial year, a substantial reduction of the budget expenditure for 1932, the constitution in 1932-33 of a margin of supplementary receipts for the redemption of the floating debt, the restoration of financial equilibrium of the railways and postal services, a reduction in the expenditure of local administration, a revision of banking legislation and continuous co-operation between the Austrian Government and a representative of the Financial Committee in Vienna.

The Financial Committee, in January and March 1932, noted that the Austrian Government had given effect to most of the items of its programme. In the absence of external assistance, however, the situation in regard to the supply of foreign exchange had grown steadily worse, and the Federal Government, in May 1932, was contemplating a suspension of the transfers for the service of its external debt. The Federal Chancellor called the attention of the Council and of the Financial Committee to the seriousness of the situation, and the Council, meeting on May 21st, 1932, decided to refer the communication of the Federal Chancellor to the meeting between Government representatives and the delegation of the Financial Committee to which allusion has already been made. It addressed an earnest appeal to the Austrian Government to do all that lay in its power to avoid a failure to meet its obligations.

Hungary.

The Hungarian Government applied to the Council in September 1931 requesting that the financial position of the country should be examined by experts, and the Financial Committee, deciding that enquiry on the spot was indispensable, sent a special delegation to Budapest in October 1931. The Financial Committee itself met in special session in Budapest from October 16th to October 22nd.

The Committee, in its report to the Council, deals with the budget, the national debt, the indebtedness of Hungary to foreign countries, the trade balance and the banking position.

The Hungarian Government undertook further to reduce its budget expenditure, so that the deficit for the current financial year might not be increased, and strictly to balance the budget for 1932-33. It asked that a representative of the Financial Committee should be appointed in Budapest to assist it in framing a detailed programme of budget economies and administrative reforms. It further undertook to exercise very strict control over foreign, public and private loans.

The service of the foreign indebtedness of Hungary amounts to some 300 million pengő annually. The trade balance, on the other hand, has been seriously affected by the general fall in the price of wheat and other Hungarian exports. Hungary has increasing difficulties

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in obtaining fresh credit and credits previously obtained have been partially withdrawn. The reserves of the National Bank have therefore steadily decreased.

Towards the end of the year, the Hungarian Bank was obliged to issue a decree providing for the partial suspension for twelve months of transfers in foreign exchange for debt service. The Financial Committee recognised that, in the circumstances, it was difficult for Hungary to find any alternative to this very serious measure. Negotiations, moreover, are in progress with foreign creditors for the conclusion of Stillhalte agreements. The Committee, recognising that such steps can only be regarded as provisional, has, with the approval of the Council, intimated its readiness to facilitate a final settlement of the long-term debts of which the transfer has now been suspended by appointing one or more persons of international experience to work with the Hungarian Government with a view to bringing about an agreement between all the parties concerned.

Bulgaria.

The Bulgarian Government, in January 1932, asked the Financial Committee to send one of its members to Sofia. The Council authorised the Committee to accept the invitation and the results of the enquiries conducted at Sofia were communicated to the Financial Committee in March 1932. The Committee examined, in particular, the transfer and budget problems.

The reserve of the National Bank fell in 1931 from 2,248 million leva on January 1st to 1,768 million leva on December 31st. Bulgaria, having no invisible exports, has to rely almost entirely on her commercial exports for procuring foreign exchange. Her principal markets in Central Europe are, however, gradually being closed. Meanwhile, the service of the Bulgarian public debt during 1931 has involved an average monthly transfer of 91 million leva.

The Committee, faced with this situation, decided that the Bulgarian Government would be justified in reducing by 50 per cent, during the six months April to September 1932, all transfers in respect of its external public debt, the portion not transferred being paid to the National Bank in leva to a blocked account. The Committee was also of opinion that restrictive action was necessary with regard to private debts.

The Council, on April 15th, 1932, indicated that it was for the Bulgarian Government to come to an agreement with the bondholders, who were alone competent to consent to any waiving of their rights. The Bulgarian Government immediately suspended the transfer of half the service of all its foreign debt, and the trustees for the loans issued under the auspices of the League in 1926 and 1928, and the establishments which had issued the loans, protested to the Bulgarian Government and to the Council. The Council, on May 21st, 1932, referred the question back to the Financial Committee.

The enquiries at Sofia included a study of the budget position, and the Financial Committee came to the conclusion that a complete plan of reform was necessary. The probable deficit for 1932-33 was estimated at about 1,300 million leva, to be reduced by steps under consideration by the Government to some 300 million leva. The Committee was of opinion that the budget should be balanced at all costs, and recommended the strict application of a system of monthly budgets.

The Committee, in January, noted that the work done for the settlement of refugees in Bulgaria was practically terminated. A total of 31,057 refugee families had been settled on a total area of 107,788 hectares; 10,203 houses had been constructed, the majority including a complete set of farm buildings. Moreover, 6,947 families had been settled in the houses left vacant by Greek emigrants.

Greece.

The Greek Government and the Bank of Greece invited the Financial Committee to send one of its members to Athens in January 1932, and the Council authorised that arrangement on January 29th, 1932.

The enquiry at Athens revealed that there was a large prospective budget deficit for the year 1932-33, and that there was a steady and increasing fall in the foreign exchange resources of the Bank of Greece. The most urgent and difficult problem appeared to be that of transfer, and the Committee was of opinion that it was not possible in present circumstances for the Greek Government to continue to transfer the whole of the funds necessary for the service of its external debt. It accordingly supported a proposal of the Greek Government for the suspension of the transfer of the amortisation payments in respect of the external Greek loans, recommending that the drachmae amounts on account of amortisation should continue to be paid into an account opened with the Bank of Greece.

The Council, meeting on April 15th, heard a statement from the Greek Prime Minister to the effect that the Greek Government was obliged temporarily to suspend, not only the amortisation of its external debts, but also the transfer of the sums necessary to meet the interest. The amount in drachmae needed for this service would be temporarily paid into a blocked account with the Bank of Greece and would bear interest for the benefit of the holders.

The Greek Government has since that date, without communicating with the bondholders, suspended the transfer of all sums required for its foreign loans. The representative of the United Kingdom, supported by the French representative, submitted a protest to the Council on May 21st, and the Council urged upon the Greek Government the necessity of making every effort to comply with its obligations.
TRANSIT QUESTIONS.

The Fourth General Conference on Communications and Transit.

The fourth general Conference on Communications and Transit met at Geneva from October 12th to 24th, 1931. Forty-three States were represented and numerous international organisations also took part in the work.

The Conference, approving the work done by the Advisory and Technical Committee for Communications and Transit since 1927, adopted two resolutions requesting the Committee to continue its enquiry into the possibility of introducing a negotiable transport document for the international transport of certain goods by rail over certain routes and to study, in collaboration with the interested Governments, any measures calculated to remove such barriers to maritime navigation as had been, or might in the future be, brought to its notice.

The Conference further renewed the membership of the Committee by the appointment of the following States: the Argentine Republic, Belgium, China, Cuba, Czechoslovakia, Denmark, Finland, France, Germany, Great Britain and Northern Ireland, Hungary, Italy, Japan, Poland, Portugal, Spain, Switzerland and Uruguay.

The Conference adopted a recommendation concerning measures to be taken in the event of a serious interruption of transit routes. It urged that States with means of transport which might be of help in establishing traffic temporarily in place of interrupted traffic should co-operate, each within its own territory, for that purpose.

Finally, the Conference dealt with the question of calendar reform. It examined the expediency from the economic and social point of view of fixing moveable feasts and simplifying the Gregorian calendar. The question had been studied in advance by a preparatory committee and by a large number of national committees in the different countries. The Conference adopted an Act embodying a declaration that the signatories were of opinion that the common good called for the stabilisation of moveable feasts. The majority of the Governments at the Conference pronounced in favour of fixing Easter for the Sunday following the second Saturday in April. The Council was requested to bring this recommendation to the notice of the religious authorities and to notify the Governments before April 30th, 1932, of any views expressed by them and any action which they might propose to take.

The majority of the delegations to the Conference were of opinion that the present was not a favourable time to proceed with the simplification of the Gregorian calendar. It asked the Advisory and Technical Committee to continue its efforts with a view to enlightening the public as to the advantages or disadvantages of calendar reform.

WORK OF THE ADVISORY AND TECHNICAL COMMITTEE.

The Advisory and Technical Committee for Communications and Transit has taken steps to carry into effect the resolutions and recommendations adopted in November and December 1930 by the Conference for the Reform of River Law and, in March 1931, by the European Conference on Road Traffic. The subjects now under examination by the competent bodies include commercial road transport, light signalling for road traffic, signals to be made by officials directing traffic and by drivers of vehicles, proposals for a convention relating to attachment in river law and for a convention on assistance and salvage in river navigation.

PUBLIC WORKS.

The Advisory and Technical Committee for Communications and Transit, in June 1931, set up a Committee of Enquiry on questions relating to Public Works and National Technical Equipment, and the Council, in September 1931, entrusted to that Committee the study of the question of large-scale public works for the reduction of unemployment and the mitigation of the economic crisis.

The Committee, which met for the first time in Geneva in October 1931, prepared a report on programmes for large-scale public works, and invited Governments to send to the Secretary-General such schemes as they might be contemplating. Experts were subsequently appointed by the Committee to make a preliminary examination of the schemes received from the Governments, and the Committee, at a second session, held in March and April 1932, discussed the criteria to be applied in passing judgment on the schemes submitted. It decided that the three main points to be kept in view were the value of the schemes as a relief for unemployment, the productivity of the public works suggested, and their international interest.

The Committee, in a report to the Council in May 1932, declared its approval of certain schemes and expressed its desire to examine other proposals. The Council requested the Committee to continue its work.
ASSISTANCE AFFORDED BY THE TRANSIT ORGANISATION TO THE CHINESE GOVERNMENT.

The Advisory and Technical Committee authorised its Chairman, in 1931, to appoint experts to advise the Chinese Government on a proposal to regularise the Hwai River, on problems under consideration by the North China River Commission and on the technical aspect of the proposal for a Greater Shanghai Port development scheme. The experts in question have made a study of these proposals on the spot and are now back in Europe preparing a detailed report on their mission. The Chairman of the Advisory Committee has further appointed two engineers to assist the Chinese National Government in connection with the construction of roads and the formation of a national service of public works engineers.

LEAGUE WIRELESS STATION.

The construction of the building for the League Wireless Station was completed on September 1st, 1931, and the station began to be operated upon the opening of the Disarmament Conference in February 1932.

HEALTH QUESTIONS.

ECONOMIES EFFECTED BY THE HEALTH ORGANISATION.

The Assembly, in 1931, decided that the budget of the Health Organisation for 1932, as compared with that of the previous financial year, should be reduced by 24 per cent. The Health Committee accordingly found it necessary this year to cancel its spring session. The Committee noted that the reduction in its budget was due to exceptional circumstances and expressed the hope that the credits allotted in future would be sufficient to enable it to carry out the work entrusted to it by the Council and by the Assembly.

APPEAL BY THE LEAGUE ON BEHALF OF THE VICTIMS OF FLOODS IN CHINA.

The Assembly, in 1931, issued an appeal on behalf of the victims of the floods in China, and the Council subsequently invited the Health Organisation to co-ordinate the international campaign against epidemics which had been rendered necessary.

The Health Section of the League, acting upon this invitation, addressed a letter to the Directors of National Health Administrations indicating the character of the contributions needed for a successful prosecution of the campaign. The Governments or certain State institutions of Belgium, Denmark, Egypt, Indo-China, the Netherlands, the Netherlands East Indies, Poland and Spain responded to the appeal and despatched sera, pharmaceutical products, field laboratories and medical staff to China. The Governments of Canada, Norway, Spain, Sweden, and Yugoslavia offered anti-typhoid and other vaccines, which were not, however, required. Liberal contributions in material, staff and transport facilities were made by the Japanese Government, but, in September 1931, the Chinese Government declined any further offers from that source. The Health Organisation has helped in organising refugee camps and in combating epidemics in China, and from the middle of September to the end of December 1931 the Medical Director acted as technical adviser to the National Flood Relief Commission. An appeal has been made for further supplies of sera, chemical and pharmaceutical products and field bacteriological laboratories, and steps have been taken by the Health Organisation to meet this request.

CO-OPERATION WITH THE GOVERNMENTS OF VARIOUS COUNTRIES IN PUBLIC HEALTH MATTERS.

The Chinese National Government is proceeding with the scheme of public health reorganisation submitted to the Council in May 1930. The national quarantine service, established last year at Shanghai and Amoy, is now working in the ports of Hankow, Nankin, Swatow, Newchang and Anhung. It will shortly be extended to the ports of Tientsin, Tsintao and Chingwangtiao. Several sections of the Central Field Health Station, inaugurated in May 1931, have begun work, including the sections dealing with school health and physical education, maternity and child welfare, parasitology and malariology, sanitary engineering and propaganda. The campaign against cholera and smallpox in the Shanghai area is being actively pursued.

The Health centre at Athens, established by the Greek Government on a plan drawn up in concert with the Health Organisation, is now in full working order. In particular, the School of Hygiene, which forms one of the divisions of the centre, has been working since March 1931 and has successfully prepared candidates for the public health diploma, who now occupy posts in the Greek health administration. The divisions dealing with malariology and sanitary engineering are also actively at work.
The Council has invited the Health Committee and the Economic Committee to consider a request, received in March 1932, from the Government of Chile, for the co-operation of the technical organisations of the League in a study of the problem of popular nutrition in that country. The Council has requested the Government of Chile to forward to the Health Committee and the Economic Committee such information as may be necessary for a preliminary examination of the question.

RURAL HYGIENE.

The European Conference on Rural Hygiene, held in July 1931, established a programme of international studies dealing with the training of health visitors and sanitary engineers, the cost of medical and health services in rural districts, the milk supply in country districts, the anti-fly campaign, the epidemiology of typhoid fever and methods of analysing drinking water and waste water. The Health Organisation, entrusted with the study of the first item on the programme, is also co-ordinating the enquiries into the other subjects, which have been entrusted to various institutes and schools of hygiene in Europe. It is hoped that these enquiries will be sufficiently advanced to justify a meeting this year of the staffs of the institutes concerned, with a view to preparing general reports and conclusions.

WORK OF THE REPORTING COMMITTEES AND TECHNICAL COMMISSIONS.

The Health Committee has appointed committees to report on the present state of practice and knowledge in certain branches of public health and social medicine. A reporting committee on maternal welfare and hygiene of infants and children of pre-school age submitted its conclusions to the Health Committee in October 1931, and, during 1932, committees which have been asked to report on the welfare of children of school age and the campaign against tuberculosis and venereal diseases will also complete their work.

The Commission for the Study of Treatment of Syphilis will complete in 1932 an enquiry which has involved the sifting of 25,000 individual case records.

The Malaria Commission has continued its investigation of malaria in deltas and carried out an enquiry into the geographical distribution of malaria and the world requirements of quinine. Seventy States, colonies, protectorates and mandated territories have furnished information in regard to their quinine requirements, and it is hoped that ultimately a Government conference may be convened to deal with the various aspects of the problem. International courses in malariology, held this year at Paris and Rome, will be followed by courses of field work in Spain, Italy and Yugoslavia.

The Opium Commission published, in October 1931, a recapitulatory list of all preparations which do not come under the International Convention of 1925, and the list has been communicated to all States.

The Permanent Commission on Biological Standardisation is at present devoting its attention to the choice of a diphtheria prophylactic to serve as an international standard, the standardisation of diphtheria toxins used for the Schick test and the adoption of an international standard for oestrine.

The Commission on the Fumigation of Vessels completed its work by the adoption in April of a report analysing the various methods of clearing a vessel of rats by fumigation.

EPIDEMIOLOGICAL INTELLIGENCE AND PUBLIC HEALTH STATISTICS.

The Monthly Epidemiological Report is now, for reasons of economy, issued as a periodical published every two months.

The annual meeting of the Advisory Council of the Eastern Bureau at Singapore, which should have been held in the spring of 1932, has been adjourned until 1933, and contact between public health administrations and the Eastern Bureau is, for the moment, secured by the Director of the Bureau, who keeps in personal touch with the heads of the administrations. The Director of the Bureau has, during the present year, visited China, Siam and the Netherlands East Indies.

QUARTERLY BULLETIN OF THE HEALTH ORGANISATION.

The material which had formerly to be consulted in the records of international conferences, minutes of committees and reports by experts will henceforth be published in a quarterly bulletin, where it will be more accessible and more widely distributed. The first number of the Quarterly Bulletin appeared in March 1932. It includes the resolutions adopted by the Conference of Experts on Immunisation against Diphtheria, a report on medical education in England, and on the milk supply in North American cities, a survey of tropical pneumonia, an analysis of the annual statistics relating to anti rabies treatment in Pasteur institutes, and a report on the campaign against epidemics in China.
INTERNATIONAL LEPROSY CENTRE AT RIO.

The Brazilian Government, in April 1931, offered to set up at Rio de Janeiro an international leprosy centre to be placed under the auspices of the League. The offer was accepted by the Council last September, and it is hoped that the centre will be able to start work early in 1933.

INTERNATIONAL SCHOOL OF ADVANCED HEALTH STUDIES.

In October 1930, the French Government offered to establish in Paris an international school of advanced health studies to be placed under the auspices of the League. The offer was accepted by the Council, and the Chamber of Deputies, on March 30th, 1932, passed a Bill providing for the establishment of the school. The Committee of organisation, set up at the request of the French Government, will make the necessary preparations to enable the school to begin work before the end of the year.

CO-OPERATION OF WOMEN IN THE ORGANISATION OF PEACE.

The Spanish delegation, on September 11th, 1931, submitted to the Assembly the following resolution on the co-operation of women in the organisation of peace:

"The Assembly,

"Convinced of the great value of the contribution of women to the work of peace and to good understanding between the nations, which is the principal aim of the League of Nations:

"Requests the Council to examine the possibility of women co-operating more fully in the work of the League."

The Council, on September 29th, 1931, decided as a first step to consult the women's organisations in order to ascertain their views upon the means of giving effect to the resolution. The Secretary-General was instructed, in giving effect to this decision, to ask the advice of the women's organisations regarding ways in which women might co-operate both at the Disarmament Conference and also in the general work of the League. The results of the first part of the enquiry have been submitted to the Bureau of the Disarmament Conference and the result of the second part will be submitted to the Assembly.

CO-OPERATION OF THE PRESS IN THE ORGANISATION OF PEACE.

The Assembly, in 1931, asked the Council to consider the possibility of studying, with the help of the Press, the problems arising from the spread of inaccurate information threatening to peace or to good understanding between nations. The Council, on October 2nd, 1931, suggested that a report should be submitted to the Assembly in 1932 dealing with the results of a conference to be summoned at Copenhagen by the Danish Government and with material assembled as the result of a consultation of the Press associations.

The Conference of Government Press Bureaux and Press Representatives met at Copenhagen from January 11th to January 14th, 1932. Thirty-four Governments, eleven Press agencies and three international journalists' organisations were represented. On the question of false information, three committees of the Conference, consisting respectively of the directors of Government Press bureaux, the representatives of Press associations and the international journalists' associations, arrived at separate conclusions. The Council, during its session in January 1932, noted that there was nevertheless a certain community of ideas between the directors of Government Press bureaux and the representatives of the Press.

The consultation of Press associations has been carried out in sixty-five countries Members or non-members of the League, and the Information Section of the Secretariat of the League has approached eighty-nine associations in Europe. Overseas the consultation has been arranged, as far as possible, through the official Press bureaux or other qualified bodies, which have been asked to communicate with the Press associations in their several countries. It is not yet possible to submit a complete survey of the results of the consultation.

THE LEAGUE OF NATIONS AND CHINA.

The National Economic Council, set up by the Chinese Government "to accelerate economic reconstruction, improve the means of livelihood of the people and to regulate national finances", met for the first time at Nankin on November 15th, 1931. It appointed sub-committees on industry, agriculture, banking, communications, education and health and set up a permanent technical secretariat to supplement the normal machinery of the individual ministries. A programme known as the three-year plan was established. Attention is to be concentrated on urgent work practicable during the next few years. The plan covers land reform and agriculture.
the organisation of a technical civil engineering station in Nankin for the training of civil engineers, a scheme of harbour development in the area of Greater Shanghai, road-making, land reclamation schemes, the reform of education, industrial development, financial policy and problems of public health and medicine.

Reference is made elsewhere to the special assistance rendered by the several technical organisations of the League in carrying the plan into effect. Co-operation with the National Economic Council is maintained by the constant presence in China of a Director of one of the technical sections of the Secretariat. The Director of the Health Section was relieved in December 1931 by the Director of the Transit and Communications Section.

REQUEST OF THE LIBERIAN GOVERNMENT FOR ASSISTANCE.

The Council, in January 1931, appointed a committee to enquire in what practical manner it would be possible to assist the Liberian Government to give effect to the recommendations and suggestions of the International Commission of Enquiry set up, in the autumn of 1929, by the Government of Liberia, to examine whether forced labour and slavery existed in that country.

The Committee of the Council decided to send to Liberia three experts with general competence in matters of general administration, finance and public health. The experts reported to the Council in September 1931, recommending certain reforms and proposing that the Liberian Government should obtain the services of qualified foreign specialists to be chosen by the League and to be given executive power by Liberia. They stated, however, that the present financial resources of Liberia were inadequate to cover the cost of a programme of assistance and suggested that the necessary funds should be obtained by negotiations with two American groups with important interests in Liberia.

The Committee of the Council, reviewing the report of the experts in May 1932, recommended that the Government of Liberia should engage foreign specialists for administration and for the public health services. It should retain the financial adviser appointed under the loan contract into which it had entered with one of the American groups, to which reference has already been made, and a Chief Adviser appointed by the League of Nations should be attached to the Central Government, appeal lying to the Council of the League should any difficulties arise in the application of the plan of assistance.

The Committee of the Council proposed that an agreement should be sought with the American groups concerned on the basis of these recommendations.

The Committee was informed during its session of hostilities which had taken place in the Kroo region between the tribes and the frontier force, resulting in loss of life. It unanimously recommended the Council to send to the Kroo region a representative to secure the pacification of the Kroo tribes, and the Council, in agreement with the Liberian Government, adopted that recommendation on May 21st, 1932.

PROTECTION AND WELFARE OF CHILDREN AND YOUNG PEOPLE.

TRAFFIC IN WOMEN AND CHILDREN.

The Committee on Traffic in Women and Children held its eleventh session from April 4th to April 9th, 1932. The principal efforts of the Committee during the past year have been directed to securing new accessions to the Convention of 1921 on the traffic in women and children and studying possible amendments to the Conventions of 1910 and 1921 with a view to strengthening their provisions.

The Committee has for several years studied the question of eliminating the age-limit prescribed in the two Conventions of 1910 and 1921, which provide for the punishment of anyone who, in order to gratify the passions of another person, has procured, enticed or led away, with or without her consent, a person under the age of twenty-one years for immoral purposes; the Conventions also aim at suppressing the traffic in women over age, whenever the trafficker has used fraud, violence, threats or any other method of compulsion, or has committed an abuse of authority. It is now proposed that the traffic in women be a punishable offence, even if the women are over age and freely consent to their exploitation. The Committee has asked the Council to approach Governments with a view to obtaining the introduction of the necessary modifications in their national legislations and in the two Conventions.

The draft Protocol of the Convention of 1921 providing for the punishment of souteneurs, drawn up by the Committee on the Traffic in Women and Children in 1931, was thereafter submitted to the Members of the League and parties to the Convention for their observations. The Committee examined, during its session in April, the possibility of establishing closer contact between the Secretariat and the central authorities established by the various Governments under the Agreement of 1904 on the traffic in women and children, and of organising an international central information bureau for such questions at the seat of the League. It also recommended that the organisation of the central authorities and the possible extension of their powers of action should be examined by the Governments concerned.

\[^{1}\text{See Pages XXIII and XXX.}\]
The Committee observed that a large number of States did not yet send annual reports regularly to the Secretariat. A revised questionnaire has been sent to Governments, in the hope that fuller and more accurate information may henceforth be obtained.

The Committee of Enquiry into the Traffic in Women and Children in the East has completed its task. The travelling commission has returned to Geneva and is preparing its report which, under the decision of the Council on May 14th, 1930, will be examined by a Committee of Government delegates before being submitted to the Council or to the Assembly.

**CHILD WELFARE.**

The Child Welfare Committee held its eighth session at Geneva from April 9th to April 15th, 1932, and submitted its report to the Council on May 18th, 1932.

The Committee considered various means of improving the position of illegitimate children and, among other methods, studied the question of social insurance and official guardianship. It continued its study of the question of special jurisdiction for minors, and, in particular, the organisation and working of children's courts. It further drew up a questionnaire which will be used for collecting material relating to institutions for erring or delinquent minors. It renewed its declaration of the previous year to the effect that all confinement in prisons should be absolutely excluded in the case of delinquent children.

The Child Welfare Committee, in 1931, asked the Council to set up a special committee consisting of experts nominated by Governments with instructions to examine the question of assistance to destitute foreigners and the execution in foreign countries of maintenance orders. The Council has invited the following countries to appoint experts: the Argentine, the United Kingdom, Canada, Denmark, France, Germany, Hungary, Italy, Japan, the Netherlands, Poland and Switzerland. The date on which the Committee will meet has not yet been decided.

**CONSTITUTION AND METHODS OF WORK OF THE ADVISORY COMMISSION FOR THE PROTECTION AND WELFARE OF CHILDREN AND YOUNG PEOPLE.**

The Advisory Commission, on the invitation of the Council, examined, in April 1932, certain questions concerning its own statute and composition. It was unanimously agreed that the time had come to reconsider the constitution and methods of work of the Commission, and a special committee was appointed to undertake a preliminary study of the matter. It was agreed that the Commission needed for its work Government delegates familiar with the views of the various administrations concerned, representatives of public opinion through the intermediary of international voluntary organisations, and experts in the questions under consideration.

**PENAL AND PRISON QUESTIONS.**

Standard Minimum Rules for the Treatment of Prisoners, drafted by the International Prison Commission, were referred by the Assembly, in 1930, to the Governments of States Members and non-members of the League for consideration, and the Assembly, in 1931, instructed the Secretary-General to forward to the International Penal and Prison Commission the replies and observations received from the Governments with a view to a revision of the original text. The International Penal and Prison Commission has not yet submitted its views.

The Assembly further instructed the Secretary-General to ask certain international organisations "in what manner the assistance of the League of Nations might be of value with a view to achieving a gradual unification of criminal law and the co-operation of States in the prevention and suppression of crime". The representatives of the organisations consulted met at Geneva from May 8th to May 10th, 1932, with a view to reaching common conclusions. They unanimously adopted a resolution declaring that the League of Nations might afford very valuable assistance in the progressive unification of criminal law and indicating the questions of criminal law which might be the subject of unification, as well as the methods whereby the League might assist in efforts for the prevention and repression of crime.

It was urged that the activity of the League of Nations in this field did not call for the creation of any new bodies, since the League might co-operate with specially qualified institutions such as the International Bureau for the Unification of Penal Law, the International Penal and Prison Commission, the International Criminal Police Commission and the Howard League for Penal Reform.

The International Labour Office, invited by the Assembly to continue its studies upon work done in prisons, has published the memorandum on this question which it submitted last year to the Assembly.
TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS.

The Conference on the Suppression of Opium-smoking.

The Conference on the Suppression of Opium-smoking, which was convened in order to review the position in regard to the application of Chapter II of the Hague International Opium Convention of 1912 and of the Geneva Agreement of 1925, met, by invitation of the Siamese Government, at Bangkok from November 9th to November 27th, 1931. The following States were represented: the United Kingdom, France, India, Japan, the Netherlands, Portugal and Siam. The Government of the United States of America sent an observer. The Conference concluded an Agreement and a Final Act, which were signed at Bangkok on November 27th, 1931.

The Bangkok Agreement is supplementary to the Geneva Agreement of 1925. It provides that the retail sale and distribution of opium shall, in principle, take place only from Government shops. It prohibits persons under twenty-one years of age from smoking opium and from entering any smoking establishment. The High Contracting Parties agree to give a legal basis to the practice of selling prepared opium for cash only. The purpose of the Agreement is, in brief, to regularise the production, sale, distribution and smoking of opium in territories where the practice is temporarily authorised.

The Conference adopted a series of recommendations addressed to the Governments concerned and to the Council of the League. It suggested, among other things, that all possible steps should be taken to bring about an agreement for the effective limitation of the production of opium; that the Governments of territories in which opium-smoking is temporarily authorised should examine the possibility of applying a system of licensing and rationing; that all Governments should adopt some form of registration of opium-smokers; that the Governments concerned should include in their policy a programme of development of medical and health services; that special revenue and expenditure opium accounts should be forwarded annually to the League of Nations; that the Governments should enforce the penalty of imprisonment against persons who are proved to be involved in the illicit traffic; that the exchange of information and views between Governments regarding the illicit traffic should be extended to cover all matters of common interest in connection with the suppression of the practice of opium-smoking, conferences being held from time to time between the representatives of the services concerned; that all Governments should make adequate provision for the treatment of addicts desiring to be cured; and that arrangements should be made for enquiries into the physiological and psychological effects of opium-smoking on the individual.

The Conference felt it necessary, in a special declaration, to call attention to the difficulties which the illicit traffic in opium from China and Persia was causing to the Governments of Far Eastern territories in the discharge of their international obligations in regard to the use of prepared opium.

The results of the Conference at Bangkok were reviewed at length by the Advisory Committee on the Traffic in Opium and Other Dangerous Drugs during its session from April 15th to May 4th, 1932. Several members of the Committee expressed their regret that the Conference had not led to more conspicuous results in the direction of the suppression of opium-smoking and urged that the Governments concerned should adopt a policy which aimed at making them independent of the sources of revenue which they derived from opium. The Chinese delegate and the United States observer stated that, in the opinion of their Governments, the only effective method of completely suppressing the use of opium-smoking was prohibition by law. The representatives of the countries parties to the Bangkok Agreement, on the other hand, emphasised that their Governments had performed their contractual obligations and were doing all in their power under existing conditions to suppress opium-smoking in their territories, pointing out that the Conference, after examining all the information at its disposal, had come to the conclusion that, as long as the production and export of raw opium was not subject to effective control and as long as opium was smuggled in large quantities into the territories in question, any further large-scale restriction of opium-smoking would merely have the effect of promoting the illicit traffic and illicit consumption.

Work of the Advisory Committee on Traffic in Opium and Other Dangerous Drugs.

The Advisory Committee held its fifteenth session from April 15th to May 4th, 1932. Its examination of the annual reports and statistics supplied by the Governments showed that there had been a remarkable reduction in the manufacture of drugs during the period 1928 to 1930 in the principal manufacturing countries, and that there had also been a considerable decrease in the export of drugs from France and Germany.

Under the Decree of March 20th, 1930, which came into force in France in September of that year, all industrial and commercial transactions in connection with narcotics are subject to an authorisation given by ministerial decree and subject to the report of a Commission.
appointed for the purpose. The French Government is now contemplating the establishment of an office in Paris which will be responsible for centralising all information concerning the campaign against narcotics. The new regulations have already revealed several weaknesses in the previous system, and there is a case at present under investigation from which it appears that 2,374 kilogrammes of morphine and 2,210 kilogrammes of diacetylmorphine recently escaped into the illicit traffic.

The Advisory Committee noted with satisfaction that the control over the trade in narcotics has also been rendered more effective in Switzerland under a decree of January 17th, 1930, and that a new law on narcotic drugs came into force in Yugoslavia on January 1st, 1932.

The illicit traffic in manufactured drugs is now carried on mainly with North America, the Far East and Egypt. Several important States still do not give all the assistance desirable in tracing these transactions. The French Government has withdrawn licences from three factories and some dozen firms engaged in the drug trade, and licences have also been withdrawn by the authorities in Germany, Switzerland and Japan. The Advisory Committee again urges the closest possible co-operation between Governments in the investigation of illicit transactions and the movements of persons engaged in the traffic.

There has been a notable decline in the number of addicts in Egypt, and heroin is no longer imported into that country in bulk. There has also been a striking improvement in the situation in India regarding illicit imports of cocaine, and the Japanese Government is prepared actively to co-operate with the Indian Government with a view to achieving yet more satisfactory results. The delegate of India expressed some doubt as to whether there is yet in Japan an effective system of continuous control over the distribution of drugs from the factory to the consumer by way of the dealer. The Japanese delegate observed that the effect of the new regulations in Japan had not yet been felt to their full extent and that his Government will certainly amend them if it should prove necessary to do so.

The Turkish Government has decided to adhere to the Hague Convention of 1912, the Additional Protocol of 1914 and the Geneva Convention of 1925. The Advisory Committee expressed its satisfaction at this event. The adherence of Turkey to these instruments should ensure an effective control over the production, distribution and export of raw opium, which will, in turn facilitate control over the manufacture of drugs.

The export of raw opium from Persia is now in the hands of a single person who holds an exclusive concession and is bound under his agreement with the Persian Government to obtain import licences from the country of destination for all quantities exported. In 1931, 1,700 chests, each containing 72.5 kilogrammes of raw opium, were nevertheless despatched to Vladivostok. The Persian delegate undertook to obtain details regarding the import certificates under which these consignments had been forwarded. The Advisory Committee noted that the Persian Government had decided to ratify the Convention of 1931 and hoped that this important step would be followed by the accession of Persia to the Conventions of 1912 and 1925.

The Advisory Committee, under decisions taken by the Council and the Assembly in 1931, was invited to consider the preparation of a Conference to investigate the possibility of the limitation and control of poppy-growing and of the cultivation and harvesting of the coca leaf. It decided to draw up two questionnaires, one for the opium poppy and another for the coca leaf, to be addressed to the Governments Members of the League of Nations, with a view to the collection of material which might serve as a basis for the work of the proposed Conference. The Council, in May 1932, requested the Advisory Committee to do everything in its power to hasten as much as possible the collection of the necessary information.

Work of the Permanent Central Opium Board.

The Permanent Central Opium Board submitted to the Council, in September 1931, its annual report embodying the conclusions it had drawn from its examination of the statistics communicated to it for 1930.

The situation in Turkey had caused anxiety to the Board during the greater part of 1930, and the position was considered in all its aspects by the Board at its sessions in January and April 1931, and again in August 1931 in the presence of a Turkish representative. The Board had no doubt that Turkey had, in 1930, and at the beginning of 1931, been a centre of the illicit traffic. The Turkish Government, however, had issued a decree in February 1931 for the control of narcotic drugs; one of the three drug factories at Istanbul was closed and the other two placed under strict supervision. The legal export of manufactured narcotic drugs from Turkey thereupon practically ceased, and the Board was informed that a draft law for the establishment of a monopoly in narcotics had been presented to the Turkish National Assembly.

The Advisory Committee noted with satisfaction that the control over the trade in narcotics has also been rendered more effective in Switzerland under a decree of January 17th, 1930, and that a new law on narcotic drugs came into force in Yugoslavia on January 1st, 1932.
Republics, which was known to be manufacturing cocaine from imported crude cocaine. The Board found that during 1930 some 4 ½ tons of morphine and heroin had escaped into the illicit traffic from France alone, while 1,300 kilogrammes of morphine and 4,200 kilogrammes of heroin had been exported from Turkey to countries which had declared that no import of drugs had been effected from Turkey during that period. Thus from France and Turkey alone at least 3,675 kilogrammes of morphine and 6,474 kilogrammes of heroin had passed into the illicit traffic.

The Board, during its session in January 1932, examined the Convention for the Limitation of the Manufacture of Narcotic Drugs, with reference to the duties which it was asked to undertake under that instrument. It noted that, since the quantity of narcotic drugs to be manufactured in future was to be limited to the requirements of each country for medical and scientific purposes, an examination of the statistics of consumption became of considerable importance and that, in comparing the consumption in the various countries, it was essential that a common basis should be found. It felt that to establish such a basis was beyond its competence and suggested that the question should be referred to the Health Committee.

REFUGEES.

The Assembly, in 1931, adopted resolutions relating to the future work of the Nansen International Office for Refugees. The most important questions covered by these resolutions were the transfer of Armenian refugees to the Republic of Erivan, the evacuation of Russian refugees in China and the preparation of a convention for the protection of refugees after the winding up of the International Office.

The Governing Body of the Office held its fourth and fifth sessions in October 1931 and April 1932.

Some 4,750 refugees have been transferred from Greece to the Republic of Erivan; the refugees were well received, provided with temporary assistance and found employment in the various industrial and agricultural enterprises of the country. The Office is now considering the transfer from Bulgaria of 1,000 unemployed refugees who have received permission to enter Armenia.

The Mennonite organisations have been entrusted with the duty of evacuating about 800 refugees from Harbin.

Enquiries are being made with a view to the collection of such information as may be necessary to the Office for the preparation of a convention for the protection of refugees following its liquidation.

Some 13,750 refugees have been successfully established in agricultural colonies or urban quarters in Syria with the financial assistance of the French Government and various philanthropic organisations.

The accounts for the year 1931 show that, during the first nine months of its existence, the Office has spent for the benefit of refugees a total of 1,700,000 francs.

INTELLECTUAL CO-OPERATION.

Constitution and Programme of Work of the Organisation for Intellectual Co-operation.

The Assembly, in September 1931, recognised the existence of the Intellectual Co-operation Organisation as comprising the International Committee on Intellectual Co-operation acting as an advisory body of the League; the Commission and Committees dependent upon it; the International Institute of Intellectual Co-operation as its executive organ; the Educational Cinematographic Institute; and the National Committees on Intellectual Co-operation.

The Council of the League, in January 1932, felt it necessary to consider whether some adjustment of the work of the Organisation was not necessary in view of the present economic and financial crisis. It adopted a resolution requesting the Committee on Intellectual Co-operation to consider, at its next session, what arrangements might be made for safeguarding the work of the Organisation during the period of financial restriction and decided to postpone until September 1932 any decision relating to the composition or renewal of the Committee.

The Committee on Intellectual Co-operation will meet in July 1932 and will frame proposals regarding its work for submission to the Council.

The work of the Permanent Committee on Arts and Letters and of the various Committees of Experts of the Organisation for Intellectual Co-operation will be reviewed by the plenary Committee in July.

Co-operation with the Chinese Government.

The Assembly and the Council, in September 1931, approved proposals submitted by the Committee on Intellectual Co-operation with a view to assisting the Chinese National Government in the reform of public education in China. A mission of educational experts
visited China from September 1931 to January 1932. The mission reached unanimous conclusions, and the statements of its members were co-ordinated at a meeting held in Paris in April 1932. The report of the meeting will be communicated to the Chinese Government, to the Committee on Intellectual Co-operation and to the Council of the League. Three European professors have been appointed to the University of Nankin.

**MORAL DISARMAMENT: ASSISTANCE RENDERED BY THE INTELLECTUAL CO-OPERATION ORGANISATION TO THE DISARMAMENT CONFERENCE.**

On September 17th, 1931, the Polish Government communicated to the Secretary-General a memorandum containing proposals for moral disarmament with a view to their discussion by the Disarmament Conference. Some of these proposals came within the scope of the work at present being undertaken by the Intellectual Co-operation Organisation and, in November 1931, the Executive Committee of the Organisation decided to place at the disposal of the Conference a full statement of its activities in the field of moral disarmament. Preliminary draft proposals for a convention on moral disarmament were prepared and submitted to the special Committee of the Disarmament Conference which had been appointed to deal with the matter. The proposals are at present under discussion by the Disarmament Conference. They include provisions dealing with the education of the younger generation, the co-operation of intellectual workers and the use of broadcasting and the cinema in the spread of information.

Work undertaken by the Intellectual Co-operation Organisation which may be described as coming within the field of moral disarmament includes: a special enquiry into the instruction of youth in the aims of the League of Nations, conducted by a Sub-Committee of Experts of the plenary Committee; an enquiry into instruction in international relations as given in training colleges for teachers; an enquiry addressed to institutes for the scientific study of international relations; the possibility of producing and circulating educational films dealing with the work of the League; and the revision of school textbooks.

**WORK OF THE INTERNATIONAL INSTITUTE OF INTELLECTUAL CO-OPERATION.**

The work of the International Institute of Intellectual Co-operation, as the executive organ of the International Committee, will be reviewed by the International Committee in July. Among its activities during the current year may be included its work in connection with moral disarmament, the scientific study of international relations and higher education; its organisation of meetings between international students' organisations; and its enquiries into the following subjects: the promotion of contact between University Institutes devoted to the history of art and archeology, the revision of school textbooks, exchanges between the Universities, the creation of educational information centres in the various countries, the use of wireless for educational purposes, the co-ordination of scientific terminologies and of scientific bibliographies, the teaching of poetry and broadcasting of music, the publication of an international list of existing resources in recorded music and the creation of gramophone-record libraries in every country, the use of popular art in connection with the employment by workers of their spare time and the international protection of intellectual rights.

**INTERNATIONAL EDUCATIONAL CINEMATOGRAPHIC INSTITUTE.**


The International Educational Cinematographic Institute has further developed its co-operation with other League bodies and bodies interested in the problem of educational films. It has continued its work with a view to preparing an international convention for the abolition of Customs duties on educational films.

The Institute is taking special interest in experiments in the use of the cinema either for general educational purposes or in connection with social education in the field of public health, agriculture or accident prevention. It has made a comparative study of laws relating to the cinema in various countries, particularly as regards the censorship of films and health regulations for cinema theatres.
I. AMENDMENT OF THE COVENANT OF THE LEAGUE OF NATIONS IN ORDER TO BRING IT INTO HARMONY WITH THE PACT OF PARIS.

At the Assembly’s session of 1931 this question formed the object of a report by a Sub-Committee, which was approved by the First Committee and presented to the Assembly. The Assembly decided to create a Committee composed of representatives of all the Members of the League, which should meet for the purpose of seeking unanimous agreement on the bases indicated in the report and of drawing up a final text for submission to the Assembly in 1932 (resolution of September 25th, 1931).

It was contemplated that the Committee should be convened by the Council and might meet during the Disarmament Conference, if this should be found desirable. At its session of January last, the Council authorised the Secretary-General to convene the Committee for a date to be fixed in agreement with the President of the Disarmament Conference, the President of the Council and the Rapporteur.

The Assembly’s resolution and the report of the Sub-Committee of the First Committee have been transmitted to the Governments of the Members of the League, in order that, if they consider it necessary, they may state their views as to the lines on which they think agreement could be attained. The observations received from the Governments will be placed before the Committee of representatives of Members of the League.

II. SPECIAL COMMITTEE TO STUDY THE EXISTING SYSTEM OF ELECTIONS TO THE COUNCIL.

The Special Committee to study the existing system of elections to the Council provided for by the Assembly’s resolution of September 25th, 1931, was established by the Council at its session of last January and will consist of members appointed by the Governments of the Argentine, Belgium, United Kingdom, Bulgaria, Canada, Colombia, Czechoslovakia, France, Germany, Italy, Japan, Poland, Portugal, Spain and Sweden.

The Assembly did not fix the date by which the Committee’s report should be presented to it. It will depend on the progress of the work of the Committee whether this report will be made in time for consideration by the Assembly in the present year.

III. NATIONALITY OF WOMEN.

This question was submitted to the Assembly last year, in execution of the Council’s resolution of January 24th, 1931, by a report of the Secretary-General to which was annexed a report and proposals drawn up by a Committee of representatives of the following women’s international organisations: The International Council of Women, The International Alliance of Women for Suffrage and Equal Citizenship, The Women’s International League for Peace and Freedom, The Inter-American Commission of Women, The Equal Rights International, The World Union of Women for International Concord, The All-Asian Conference of Women, The International Federation of University Women.

The Assembly, by a resolution of September 26th, 1931, noted the desire of the Committee that steps should be taken to bring about the reconsideration of the Hague Nationality Convention of 1930, bearing in mind the principle of equality between men and women. It decided to consider the matter further in the present year. The Governments have been requested to submit their observations on the subject (including their views regarding the Hague Nationality Convention) and the Committee of representatives of women’s international organisations has been invited to continue its work with a view to formulating such further observations as it may desire to make, for consideration by the Assembly.

IV. WORK OF THE INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW, ROME.

1. ORGANISATION.

As regards internal organisation, the work was chiefly connected with the Library. There are now about 8,000 volumes and 170 periodicals which have been methodically grouped.

1 The following information is taken from the report of the Institute for 1931.
2. Studies.

A. Sale of Goods.

The Committee of Experts, appointed by the Governing Body to study the problems connected with the unification of the sale of goods, continued its work at a series of meetings held at Berlin (February 17th to 21st, 1931), Rome (March 30th and 31st, 1931), Stockholm (September 14th to 19th, 1931) and London (December 17th to 19th, 1931).

At the first three meetings, the Committee examined a whole series of fundamental questions. It adopted a number of provisional conclusions relating chiefly to the making and the form of contracts, the problem of the transfer of risks, the obligations of vendors and purchasers, the vendor's guarantee in connection with defects in the thing sold, the transfer of ownership, letters of trust and documentary credit. On several points, regarding which the position was uncertain and obscure, it was possible to arrive at soundly established results which give ground for hope as to the subsequent progress of the work.

The object of the last meeting, held in London (December 17th to 19th, 1931), was to discuss various questions which were still pending, in particular the problem of the guarantee in connection with defects in the thing sold and the problem of the vendor's obligations. Further consideration was also given to the more general question of the definition of an international sale, in order to determine whether a sale executed in a given country at an international fixed price could be so regarded. The Committee decided to resume discussion of this point at a subsequent meeting.

B. Arbitration in Private Matters.

In the course of the past year, the Institute has continued its preparatory work with regard to the unification of the law in the matter of arbitration agreements. The business world, in particular the International Chamber of Commerce, gave evidence of its interest in the work which has been undertaken.

In accordance with the instructions of the Governing Body, M. David continued the preparation of his report, which is designed to make known the present state of the law in the different countries with regard to arbitration and any new tendencies of commercial practice.

The final report is near completion. Part of it has already been printed and the rest will be printed at an early date. It is now for the Governing Body to decide what further action should be taken in connection with the work of the Institute.

C. Intellectual Rights.

The Secretariat has preferred for the moment to leave on one side the more general problem of the unification of the Berne and Havana Conventions for two main reasons: the first is that the replies to the questionnaire, drawn up by the Institute and communicated to the National Committees on Intellectual Co-operation by the Institute of Intellectual Co-operation have not yet been received; the second is that there are various special problems connected with the question of intellectual rights which require to be investigated and solved with a view to the revision of the Berne Convention, which will take place in 1935.

The Secretariat has therefore devoted its attention to the following questions:

I. Publication Contracts.— The report presented to the Governing Body by the Secretariat, which was in the main approved, has been completed and rearranged in the form of a second report. It was thought desirable, after examining the various problems and the solutions adopted in the different countries, to lay down certain general rules which might be submitted to the associations of authors and publishers and which, if they were accepted, could form the basis either of a specimen contract or of a uniform legislative enactment.

II. "Droit de suite".— By the term droit de suite is meant the right of the artist to claim part of the value of his work notwithstanding any changes of ownership that it may have undergone. The recognition of this right, which is admitted — with variations — under the laws of certain countries, is chiefly demanded by artists. The Secretariat felt it desirable to draw up a preliminary report describing the present state of the law and enumerating various questions (the theoretical justification of the droit de suite, the problem of the originality of the work, the problems of the limitation of the droit de suite to public sales, of the measure of participation, etc.) as to which it is necessary to arrive at very definite conclusions before contemplating legislative reforms.

III. In connection with this same question of intellectual rights, the Institute has begun enquiries into the following points:

(a) The right of executants in the case of public execution by mechanical means;
(b) The interpretation of Article 13 of the Berne Convention (the adaptation of musical works for mechanical instruments) and authors' rights;
(c) The interpretation of Article 14 of the Berne Convention.

In all these matters, the Institute does not propose to initiate work, but merely to contribute to the efforts of the Institute of Intellectual Co-operation and of the International Labour Office; this attitude has already been discussed and approved by the Governing Body.
D. The Stock Exchange, Brokers' Contracts, Stockbrokers, etc.

The Governing Body at its meeting on April 7th, 1931, decided, while leaving on one side for the moment the idea of uniform regulations, to begin an investigation into the Italian Stock Exchanges, the results of which could be used for the purposes of studies in comparative law in conjunction with those — already well advanced — now proceeding in France and Germany. The Secretariat was anxious to begin by a systematic review of the jurisprudence for the period 1928 to 1930. In doing this account has of course been taken both of the legislative movement and of the scientific movement. These investigations were entrusted to M. Mario Angiolini, who put together a volume of valuable documentary material which has now been published by the Rivista italiana per le Scienze giuridiche. M. Angiolini is at present engaged on the period 1914 to 1927.

E. Insurance.

With a view to a general investigation of the insurance problem, the Secretariat got into touch with the Association internationale juridique pour le droit des assurances. The Institute undertook to collect the texts of laws on insurance of a group of States (Belgium, Bulgaria, Denmark, Estonia, Finland, Hungary, Italy, Latvia, Lithuania, The Netherlands, Norway, Poland, Portugal, Spain, Turkey and Yugoslav) concerning which the Association has not yet been able to obtain exact information.

The Secretariat hopes that it will soon have collected reliable data with regard to the laws relating to insurance in those countries.

F. Agricultural Credit.

The Secretariat has drawn up a general statement of the problem of international agricultural credit, examined both from the point of view of the organisation of this form of credit in the various countries, and from the point of view — the most interesting from a legal standpoint — of guarantees. It was not the intention of the Institute to suggest solutions for the organisation of international agricultural credit; it merely desired, by a careful statement of the questions, to facilitate the work of the International Agricultural Co-ordination Commission.

3. Consultations.

During the year 1931, the Institute was requested by other institutions to give its opinion on certain legal questions — e.g., questions put by the International Seed-Testing Association as to the possibility of its freeing itself from all responsibility towards the purchasers or vendors of seeds if the results obtained from the seeds which had been sold were not in accordance with the indications contained in the analysis; by the International Institute of Agriculture as to the international character of the International Wine Office; and by the Royal Italian Academy as to the problem of international diplomas.

4. Conferences.

The Institute took part in various conferences, in particular a conference for the Unification of the Law relating to Cheques, which was held at Geneva from February 23rd to March 19th, 1931.

5. Conclusion.

The Institute's methods of work have been perfected and its activities have developed in scope. It would seem that although the unification of private law may still be far off, the idea of its eventually being possible is becoming more firmly established and more widely recognised.

2. FINANCES OF THE LEAGUE.

I. GENERAL FINANCIAL POSITION.

During the year 1931, 85.62 per cent of the amount of the contributions due for that year was received from the States Members as against 86.62 per cent in 1930.

The total amount received on account of arrears during 1931 was 1,565,521.80 gold francs, as compared with 1,038,218.21 gold francs during 1930.
The cash position of the three autonomous organisations of the League on December 31st, 1931, was as follows:

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Surplus/Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretariat</td>
<td>82,033.89</td>
</tr>
<tr>
<td>International Labour Organisation</td>
<td>-</td>
</tr>
<tr>
<td>Permanent Court of International Justice</td>
<td>31,108.39</td>
</tr>
<tr>
<td></td>
<td>113,142.28</td>
</tr>
<tr>
<td></td>
<td>545,318.45</td>
</tr>
</tbody>
</table>

A general view of the questions relating to League finances dealt with since the last session of the Assembly will be obtained by referring to the reports of the Supervisory Commission, which, apart from the extraordinary sessions devoted to the question of the new building, met on two occasions since September 1931.

II. ACCOUNTS FOR 1931.

After examining the auditor’s report, the Supervisory Commission recommended the Assembly to approve the accounts for 1931 in the form in which they are shown in the document forwarded to the Members of the League (document A.3.1932.X).

The Supervisory Commission felt some misgivings as to the payment of contributions in arrears. At its January and April sessions, 1932, it was informed by the Secretary-General of the steps he had taken in conformity with the resolution of the last Assembly, and it requested him diligently to continue the negotiations now in course until the next meeting of the Assembly.

III. BUDGET FOR 1933.

The principal characteristics of the 1933 budget are as follows:

1. The budget of the Secretariat shows a reduction of 2,506,339 francs as compared with the budget for 1932, which included a considerable appropriation for the Disarmament Conference, and of 90,008 francs as compared with the 1931 budget, although since that year provision has been made for fresh expenditure amounting to more than 1,000,000 francs. Thus, in the meantime, statutory annual increments have amounted to 425,000 francs, and there was no appropriation in the 1931 budget for the taking over of the building constructed for the Disarmament Conference, for the unforeseen expenditure due to urgent work of a financial character and for liaison with China, for which items a total sum of 987,500 francs is provided in the 1933 budget.

2. The contribution of Brazil to the budget of the International Labour Organisation has not so far been deducted from the total of that budget. If account is taken of this contribution — which will probably be paid before September 1932 — the budget of the International Labour Organisation, as well as that of the Permanent Court of International Justice and the contribution to the International Nansen Office for Refugees, amounts to figures approximately equal to those of 1932.

3. On the proposal of the Supervisory Commission, the credits shown in Part V, “Buildings in Geneva”, were appreciably increased.

   The terminable annuity payable on account of the building operations of the League was increased from 1,375,000 francs to 1,600,000 francs, in order to make up the difference which can be expected in 1935 between the assets of the Building Fund and the actual cost of the building operations. The Commission also recommended to the Assembly to suspend next year the reimbursement of 700,000 francs made during the last years to the States which had advanced the capital for the Building Fund; if this recommendation is adopted, this sum of 700,000 francs will be definitely added to the Building Fund.

   The credit for the construction of the wireless station was increased to 434,659 francs; this sum corresponds to the withdrawals hitherto made for this purpose from the Working Capital Fund.

4. The appropriation for the Staff Provident Fund in the budgets of the three principal organisations has been almost completely eliminated and replaced by a higher provision under part VI, “Pensions”. The considerable increase for pensions is therefore more apparent than real.

5. In accordance with the Financial Regulations, a new credit of 432,177 francs is shown under part VII, “Working Capital Fund”, to reimburse to the Fund the net deficit of 1931. The surplus in respect of the Secretariat and the Permanent Court of International Justice for 1931 was, in fact, not sufficient to compensate, as during the last years, the deficit of the International Labour Organisation.
IV. CONSTRUCTION OF THE NEW BUILDINGS.

At its meeting on September 29th, 1931, the Assembly adopted a resolution by which it instructed the Supervisory Commission to examine the financial situation with regard to the new buildings, and to submit to the Council for approval, as soon as possible, a programme which would comply under the best possible conditions with the decision of the Assembly to keep, in principle, within the limits of the estimate adopted by the Assembly in 1930.

The circumstances which led to this resolution were laid before the Assembly in the report of the Fourth Committee on the subject (document A.89.1931).

It will be recalled that the architects had presented in September 1931 a revised estimate amounting to 26,404,995 francs, which exceeded by approximately 2½ million francs the credit of 23,633,150 francs voted by the Assembly in 1930. The Building Committee had reported to the Secretary-General that, in its view, even this increased estimate would be insufficient to cover the cost of the new building, and that there was reason to fear that the credit voted in 1930 would be exceeded by 7 or 8 million francs, unless the situation were taken in hand.

In execution of the Assembly's resolution, the Supervisory Commission met on September 29th and 30th, 1931; October 23rd to 25th, 1931; November 27th to 30th, 1931, and January 22nd to 24th, 1932. The proceedings of the Commission were fully set out in the report presented to the Council at its sixty-sixth session (document C.97.M.50.1932), which may be briefly summarised as follows:

The Supervisory Commission interviewed the architects and the Building Committee, and satisfied itself that, although the sum of 7 or 8 million francs might be perhaps rather an exaggerated estimate of the probable overspending, there was a real danger of a considerable excess unless it were possible to effect some reduction in the plans. It may be added that one of the architects went even further than the technical members of the Building Committee, and declared that the execution of the existing plan would require an additional credit of 9 or 10 million francs.

On the other hand, one member of the Building Committee strongly disputed the value of these general calculations, putting forward in support of his argument the cost per cubic metre of certain buildings which had been recently completed at Geneva. In his view, the amount spent would depend on the effectiveness of the control exercised. If the Supervisory Commission established a real unity of direction, he had no doubt that the work could be carried out within the limits of the 1930 estimate, plus the sum of 1,124,000 francs, which represented supplementary and unforeseen expenditure on the foundations, due to the unsuspected instability of the subsoil, for which the architects could not be held responsible.

With regard to the unity of direction of the work, the Supervisory Commission felt that this was a question of the highest importance. It was at one with the Building Committee in deploring the errors and delays caused by the division of responsibility among five architects. After long negotiations, the architects themselves, in response to the Supervisory Commission's appeal, spontaneously proposed the basis of an arrangement, of which the essential clause may be quoted in full as follows:

"The Chairman of the architects, who has hitherto had no more than representative duties, will henceforward also have executive powers as the responsible director of the work, and it will be his duty to take all necessary decisions within the customary time-limits."

The position henceforward will be this: the League, while still enjoying the assistance of its five architects, will henceforth act as if it had only one architect. Each of the architects will continue to enjoy his individual rights under his contract. In dealings with the League and with third parties, however, a single architect — the Chairman — will take full responsibility.

Any differences, therefore, that may in future arise among the architects will be, so far as the League is concerned, res inter alios acta. It will be the Chairman's responsibility to act "within the customary time-limits", and he may not offer any plea based on the attitude of his colleagues.

The Commission was of opinion that the solution at which it arrived was a practical one, which would yield satisfactory results and, in any case, was preferable to a breach of the contract.

The Supervisory Commission requested the architects and the Building Committee to present proposals for effecting economies without prejudice to the solidity of the buildings and their suitability for the purposes for which they were to be constructed. Several proposals were placed before the Supervisory Commission, and some were rejected for the reason that they would, in fact, be detrimental in this latter respect. Finally, in November 1931, the Commission agreed, in principle, on the following modifications of the plan passed by the 1930 Assembly:

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The estimate of September 1931 (26,404,995 francs) would thus be reduced to 23,106,995 francs, which, as compared with the credit of 23,633,150 francs voted by the Assembly in 1930, would leave a margin of 526,155 francs for unforeseen expenditure.

The Supervisory Commission, being impressed by the differences of opinion that still existed between the architects and the Building Committee as to the adequacy of the estimates, decided to institute an enquiry in order to determine as accurately as possible the true facts of the case. It was at first intended to employ an outside expert, but the Commission finally accepted the proposal of the architects themselves—that the enquiry should be entrusted to a small Committee composed of three technical members of the Building Committee. This procedure had the advantage that the enquiry would be carried out by persons who had been following the building operations for the last two or three years and were thus obviously better acquainted with the details than an outside expert could possibly be.

This Committee of Enquiry presented a report on 173 items of the estimates, representing a total of 6,500,000 francs, spread over all the trades involved and all parts of the buildings, thus being a fair test, although not an absolutely complete one. The enquiry revealed under-estimating on some points, but probable over-estimating on others, and, on the whole, the technical members considered that the 1931 estimate might be regarded as adequate for the erection of the buildings in the modest style which had always been contemplated by the architects. The technical members made, however, two reservations: (a) they could not undertake to affirm that nothing had been overlooked in framing estimates, especially in those parts which they had been unable, for lack of time, to go into in detail; (b) they felt unable to state definitely that the estimates would not ultimately be exceeded. Such an assurance could only be given if there were full and formal guarantees with regard to the preparation and direction of the work, for the most generous estimates would prove insufficient if the execution of the work were not efficiently directed.

With regard to the extra expenditure on the foundations, the technical members thought that some of this expenditure was superfluous and that the rest should have been provided for in the estimate. The architects disputed this assertion. They pointed out, moreover, that a normal degree of settling had already been observed and that, consequently, it would have been imprudent to provide any less extensive foundations. The architects urged very strongly that, as the unforeseen expenditure of 1,124,000 francs had been found necessary since the estimate of 1930, and was due to circumstances which could not have been foreseen when that estimate was established, this sum ought reasonably to be added to the credit already approved by the 1930 Assembly.

The financial situation at this stage was therefore as follows:

<table>
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<tbody>
<tr>
<td>1930 Estimate</td>
<td>23,633,150</td>
</tr>
<tr>
<td>Plus (for foundations)</td>
<td>1,124,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24,757,150</td>
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Deducting from this sum the revised total of the 1931 estimate (allowing for the economies approved by the Supervisory Commission) — namely, 23,106,995 francs — there remained a margin of 1,650,155 francs, which might be regarded as a margin for future unforeseen expenditure. The architects were of opinion that it would be wise to increase this margin in order to cover all eventualities, and proposed that they should be granted a further sum of 500,000 francs, which would bring the margin for unforeseen expenditure up to a total of 2,150,155 francs (i.e., approximately 10 per cent). The total credit required was thus increased to the sum of 25,257,150 francs. The Supervisory Commission was informed, however, that the architects' estimates made no provision for certain necessary fittings, such as telephone wiring, bells, emergency lighting, power plugs for vacuum cleaners, etc. The cost of these additional installations was estimated at about 320,000 francs. The final revised estimate thus amounts in all to 25,577,150 francs. The architects gave an undertaking that, unless circumstances arose over which they had no control, they would keep within the limits of this estimate, and, in order to make it perfectly plain that they were not actuated by self-interest, they undertook that their fees and office expenses should "in no case be higher for the work described than those specified in their estimate of September 1931, less the economies submitted to and accepted by the Supervisory Commission".

After having carefully weighed all these considerations, the Supervisory Commission found itself, for the first time in its history, unable to agree upon a unanimous report. Three members were in favour of adjourning the construction of the Assembly Hall and committee rooms until the general financial situation of the world should improve. The other two members felt that the unavoidable and wasteful cost of such a suspension (indemnities to contractors and architects, etc.) would be so great that suspension of the work would be a thoroughly
uneconomic solution of the difficulty and would be contrary to the letter and spirit of the resolution of the Assembly.

A report embodying the opinion of the majority and the minority was therefore submitted to the Council at its sixty-sixth session (document C.97.M.50.1932.) on January 29th, 1932.

The majority of the Council being against the interruption of the work, it was agreed that the building operations should proceed on the cheapest plan — that proposed by the Supervisory Commission.

Since that time, operations have been pushed forward as actively as possible. The plans of the Assembly Hall and Committee Room block have been carefully revised to give full effect to the economies approved by the Supervisory Commission, and work on this part of the new buildings is now proceeding.

The Secretariat building and the Library are both well advanced, as may be seen by a visit to the site. Contracts have been allotted for the heating, ventilation and sanitary installations and for the fitting up of the book-stack in the Library.

Tenders for other contracts are expected at the time of writing, and it is hoped that the buildings will be ready for occupation in 1934.

V. EXPENDITURE OF THE LEAGUE : MEMORANDUM BY THE DELEGATION OF THE UNITED KINGDOM.

On May 9th, 1932, the representative of the United Kingdom submitted to the Council a memorandum proposing that the whole question of the League’s expenditure should be carefully considered as soon as possible, so that when the budget for 1933 is submitted to the Assembly, in September next, the latter might have before it full information on the situation to enable it to decide whether it is practicable and desirable to reduce the League’s expenditure and if so in what manner.

The investigation recommended by the Government of the United Kingdom, with a view to effecting economies, was to cover : (1) the whole organisation of the League ; (2) a review of the scale of emoluments of the staff. The representative of the United Kingdom suggested that these questions might be examined by a small committee of outstanding men of affairs outside the political field in their respective countries, with such expert advisers as they might find necessary.

The Council devoted a part of its meetings on May 9th, 19th, 20th and 21st to consideration of the proposals of the Government of the United Kingdom.

After a full discussion, in which the representatives of Spain, Germany, Italy, France, Panama, Yugoslavia, China, Japan, and Norway, and also the President of the Supervisory Commission, the Secretary-General, the Deputy Director of the International Labour Office, and the Registrar of the Permanent Court of International Justice took part, the representative of the United Kingdom modified his original proposals as follows : the enquiry would not deal with the League’s general policy, but would be confined to staffing, salaries and methods of control of expenditure. Moreover, it would be entrusted to the Supervisory Commission on the understanding that the Council would ask the latter to call for the co-operation of experts in its task and to seek to complete that task so that the result might be available when the Assembly met in September 1932.

On the proposal of the representative of Guatemala, President of the Council, the Council at its meeting on May 21st, 1932, took the following decisions :

The Supervisory Commission is requested to examine the League’s expenditure on the basis of the British memorandum and other documents relating to the question, particularly the Minutes of the discussion which took place in the Council.

The Supervisory Commission will prepare for the Assembly a report on those questions relating to the League’s expenditure submitted to it by the Council — in particular, a possible reduction of staff, that of salaries (viz., the salaries of the staff) and that of a stricter control of expenditure — which it considers can be usefully and effectively examined.

The Supervisory Commission may enlist the assistance of two or three experts in those subjects which it decides to examine.

The Council also considered that the attention of the Assembly should be drawn to the importance which the Council attaches to a general examination of League policy, since it is ultimately on this policy that expenditure and consequently economy must mainly depend.
I. ARMAMENTS TRUCE.

In the general discussion during the twelfth Assembly, a number of speakers emphasised the decisive importance of the General Conference for the Reduction and Limitation of Armaments.

The Assembly noted with satisfaction that the Council had already convened the Conference for February 2nd, 1932. It was anxious to contribute in advance to the work of the Conference, by preparing the moral atmosphere essential to its success by means of an act of international goodwill. It therefore adopted the idea expressed in the proposals made by the Italian delegation and by the Danish, Norwegian, Netherlands, Swedish and Swiss delegations. The purport of these proposals was that the Governments summoned to the Conference should be urged to abstain, pending its outcome, from any steps towards the increase of the level of their armaments.

As certain of the States invited to take part in the Conference are not Members of the League of Nations, the President of the Assembly invited them to be represented on the Third Committee. The following States accepted the Assembly's invitation: Costa Rica, Egypt, Turkey, the United States of America, and Brazil, the last being represented by an observer.

As a result of the discussions which took place in the Third Committee, the following draft resolution was submitted to the Assembly:

"Convinced that the crisis which at the present time is creating such profound disturbance among the nations of the world is due to a number of economic and political causes originating principally in the lack of mutual confidence between the nations, and

"Convinced that a renewal of the competition in armaments would necessarily lead to an international and social catastrophe,

"The Assembly,

"Addresses a solemn appeal to all those who are desirous that practical effect should be given to the principles of peace and justice upon which the Covenant is based and urges them to devote all their efforts towards creating a world opinion strong enough to enable the General Disarmament Conference to achieve positive results, including in particular a gradual reduction of armaments to be continued until such time as the object laid down in Article 8 of the Covenant is attained.

"In view of the fact that an undertaking on the part of all States not to increase their armaments would help to create an atmosphere of confidence, to prevent competition in armaments and to prepare the ground for the success of the forthcoming Conference, the Assembly,

"Requests the Governments invited to the Disarmament Conference to prepare for this event by means of an armaments truce and, accordingly:

"Requests the Council to urge the Governments convened to the said Conference to give proof of their earnest desire for the successful issue of the efforts to ensure and organise peace and, without pre-judging the decisions of the Conference or the programmes or proposals submitted to it by each Government, to refrain from any measure involving an increase in their armaments;

"Likewise requests the Council to ask the Governments to state before November 1st, 1931, whether they are prepared, for a period of one year as from that date, to accept this truce in armaments."

The Assembly adopted this resolution, together with the Third Committee's report, which was presented by M. de Madariaga, delegate of Spain, on September 29th, 1931.

In execution of a decision taken by the Council on September 30th, the Secretary-General communicated this resolution and report to all the States invited to the Disarmament Conference on October 2nd, and asked them to reply before November 1st (Circular Letter 257.1931. IX).

Replies received by the Secretariat from the following fifty-five Governments have been communicated to all Governments (document C.919.M.484.1931. IX (Conf.D.35) and Addendum): Albania, Argentine, Australia, Austria, Belgium, the United Kingdom, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Ecuador, Egypt, Estonia, Finland, France, Germany, Greece, Guatemala, Haiti, Hedjaz, Hungary, India, Irish Free State, Italy, Japan, Latvia, Liberia, Lithuania, Luxemburg, Nicaragua, Netherlands,