LEAGUE OF NATIONS

REPORT

ON THE

WORK OF THE LEAGUE

1941-1942

submitted by the Acting Secretary-General
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INTRODUCTION

In a statement\(^1\) distributed to the Members of the League in June 1941, I gave a brief account of the circumstances which led to a decrease in the volume and variety of the League's activities. In ordinary circumstances, these were governed by the decisions of the Council and the Assembly, as well as by those of the Technical Committees, which met regularly and which, on the one hand, considered the past work of the League and, on the other, drew up a programme of work for the future. The Secretary-General not only found great support in these periodic meetings, which afforded direct contact with Government delegates and experts, but also received from the Assembly and the Council instructions, guidance and inspiration both as regards questions of policy and in respect of the order of priority and importance of the numerous problems committed to his care.

The war has reduced the number of these meetings and contacts and I have had, therefore, to assume greater responsibilities, sharing them with the Supervisory Commission, which, under the terms of the Assembly resolution of December 14th, 1939,\(^2\) has been endowed with wide emergency powers and with which close and regular contact has been maintained.

It is not necessary to make here more than a passing reference to the policy of successive administrative and budgetary retrenchments which was imposed in consequence of the state

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\(^1\) See document C.41.M.38.1941.

\(^2\) Confirming the special powers provided for by the Assembly's resolution of September 30th, 1938.
of war and of its gradual extension. These inevitable restrictions and their incidence on the activities of the League are set out in last year’s statement. ¹

The war has been gaining in intensity and extent. During the past few months, the bitter struggle which was being waged in Asia, Europe and Africa has engulfed the remaining continents and has assumed a truly gigantic and universal character. Very few indeed are the countries which have thus far been spared. Twenty-four Members of the League have been drawn into the conflict and the territory of fourteen of them has been occupied. As a natural result of the circumstances of the recent past, my first duty was to safeguard both such activities as were possible and the international character of the League, until such time as international consultations of a constructive character again become possible.

The Assembly and the Council have met only once since the war began and, for reasons that will be generally understood, no meeting of the political organs has recently been proposed by any Member. There have been a few meetings of other League organs, however, and it is thought that certain Committees may shortly find it possible and desirable to discuss questions of a “technical” character regarding future work. The Committees and the Secretariat of the League, with their special experience of international problems covering a vast field, should prove to be invaluable in co-ordinating those plans and studies for post-war reconstruction which are now being discussed in many countries.

Since 1940, when certain important elements of the Secretariat were sent to America “on mission”, ² its technical work has been satisfactorily carried on by co-operation between the branches established outside Europe and the staff remaining at Geneva. Special measures were also taken to safeguard the financial interests of the institutions. This provisional arrangement doubles the opportunities for contacts with Governments and other authorities and gives a

¹ See also the Chapter in the present report: “The Reduction in the Personnel of the Secretariat”.
² See also document C.41.M.38.1941.
certain degree of protection against the risks involved in the policy hitherto followed of not abandoning the League head-quarters even though the tide of war sweeps round it.

* * *

When this war ends, continents will have been devastated; many countries will have suffered under the occupation of foreign troops; hunger and famine will have enfeebled the population; the normal economic machinery of the world will have been smashed; the health of untold millions will have been undermined; world production will have changed its character, owing to the fact that industrial resources are being devoted more and more to the manufacture of armaments whilst the artificial and forced production of substitute materials is being extensively developed. Many countries will have been virtually without national Governments for long periods; social disturbances will be inevitable; frontiers and populations will have been displaced, often more than once; transport will have been disorganised in certain regions and in others reorganised within sharply divided spheres; and, above all, there will be a world divided by hatred and vengeful memories.

The problems to be faced will be immense. To those connected with the immediate needs of populations and internal reconstruction in the various countries will be added the problem of planning the future of international co-operation. What can be done so to reorganise the world and the nations as to prevent another conflagration spreading, as the last two world wars have spread, with all the miseries and tragedy and destruction entailed? The Governments, and not only the Governments, the peoples of the world, are deciding now what Peace is worth, what sacrifices and risks will be worth while for the purpose of guarding it in the future.

* * *

Thirty-six States, including all the Great Powers of the world, are now involved in total war; another dozen are in a
state of non- or pre-belligerency, while a few still hold tenaciously to an unassured neutrality, as so many others have tried to do in the past. In the belligerent countries, and indeed almost everywhere, Governments and peoples concentrate on the war effort; that is their first care.

The making of peace and the kind of peace that will be made depend without doubt, in the first case, on the devotion and sacrifices and organisation which can be directed towards bringing the war to an end. In present circumstances, statesmen and Governments hesitate to make precise declarations as to the form and pattern they will give to the world when the war is finished. Perhaps they do not yet know. There has been wisdom in avoiding a too-early crystallisation and formula-making but, even within the past year, thinkers and politicians and Governments have begun to see something of the shape of things to come. There is a direct reference to the League in a public address made by Acting Secretary of State Sumner Welles, on July 22nd, 1941, while the United States of America was still the greatest neutral Power in the world:

"At the end of the last war, a great President of the United States gave his life in the struggle to further the realisation of the splendid vision which he had held up to the eyes of suffering humanity—the vision of an ordered world governed by law.

"The League of Nations, as he conceived it, failed in part because of the blind selfishness of men here in the United States, as well as in other parts of the world; it failed because of its utilisation by certain Powers primarily to advance their own political and commercial ambitions; but it failed chiefly because of the fact that it was forced to operate, by those who dominated its councils, as a means of maintaining the status quo. It was never enabled to operate as its chief spokesman had intended, as an elastic and impartial instrument in bringing about peaceful and equitable adjustments between nations as time and circumstances proved necessary.

"Some adequate instrumentality must unquestionably be found to achieve such adjustments when the nations of the earth again undertake the task of restoring law and order to a disastrously shaken world.

"But whatever the mechanism which may be devised, of two things I am unalterably convinced:

"First, that the abolition of offensive armaments and the limitation and reduction of defensive armaments and of the tools which make the
construction of such armaments possible, can only be undertaken through some rigid form of international supervision and control, and that without such practical and essential control no real disarmament can ever be achieved; and

"Second, that no peace which may be made in the future would be valid or lasting unless it established fully and adequately the natural rights of all peoples to equal economic enjoyment. So long as any one people or any one Government possesses a monopoly over natural resources or raw materials which are needed by all peoples, there can be no basis for a world order based on justice and on peace.

"I cannot believe that people of good-will will not once more strive to realise the great ideal of an association of nations through which the freedom, the happiness and the security of all peoples may be achieved. That word, security, represents the end upon which the hearts of men and women everywhere to-day are set."

One month later, the United States of America still being a neutral country, its President and the Prime Minister of the United Kingdom issued the well-known "Atlantic Charter", in which basic principles of political as well as economic reconstruction were briefly laid down. On the other hand, some aspects of the plans and proposals of Germany, Italy and Japan are equally well known in their broad outline.

There have been other important statements. Three Christmas Messages have been issued by the Pope since the beginning of the present war. The Message of Christmas 1941, like the two preceding ones, summarises in five points the essential conditions of a "new order based on moral principles". Whilst the first point insists on the right of every nation, great or small, to its "freedom, integrity and security" and the third on the "methodical and progressive solution, with the necessary guarantees", of the question of the participation of all nations in access to "economic sources and materials of a common use", the fourth point emphasises the importance both of a "progressive and adequate limitation of armaments" and of "institutions gaining general respect and devoting themselves to the noble task of guaranteeing the sincere execution of treaties or bringing about, according to the principles of law and equity, such corrections or revisions as may be advisable".

This impartial pronouncement, based on a careful study of history and inspired by the loftiest spiritual and moral prin-
ciples, will have to be considered by those who are called upon to plan the basis of post-war reconstruction and co-operation.

* * *

The death of the League of Nations has often been forecast, either with satisfaction or with regret. The friends of international order have been discouraged by the failure of the first great effort to maintain peace. As an active political power, the League of Nations has indeed been almost non-existent for some years; it lives, however, not only as a centre of economic, financial, social, and humanitarian action and studies, and as an instrument for reconstruction, to the extent of the resources granted by States, but also as a possible agency for the resumption of co-operation between nations.

The International Labour Office carries on bravely, holding its loyalties deep-rooted in organised labour and organised employers, to serve, as it surely will, a high and valuable purpose.

The Permanent Court of International Justice, in spite of the fact that its activities are suspended, nevertheless remains an organised reality, though driven by invasion from its seat at The Hague.

All these organisations of the League of Nations are thus in being, ready at the appropriate moment to take their respective parts in the reconstruction of the world, or to serve as the foundations on which the new order can be built. The possibility of extending their action in preparing immediately for post-war reconstruction is, to a large extent, dependent on the will of States Members and the support which they give.

Behind all these present activities and behind all those connected with future efforts towards international co-opera-

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1 The Christmas Messages of the Pope are commented upon in a series of twelve articles of the Osservatore Romano which review the achievements and failures of the years preceding the war and outline the "essential conditions for an international order". (Osservatore Romano, January 4th, 11th, 17th, 18th and 25th, February 1st, 8th, 15th and 22nd, March 1st, 8th and 15th, 1942.)
tion in what is termed the "technical" field, the political conception must remain supreme. That is to say that the first need of the world is international security. With that, all things are possible; without it, nothing is possible. Modern means of production and modern organisation, governed by a sense of moral responsibility to all classes and to all nations, can, I am convinced, rebuild and remake the broken economies of the world. Statesmanship and wisdom in all classes can, in time, give the world comparative freedom from want and can ensure the human liberties and the possibility of the spiritual life without which humanity is a poor thing. But if wisdom and guidance and statesmanship cannot also contribute towards an enduring international peace, with a system sufficiently strong to maintain law and sufficiently flexible to assure equity, the rest will remain for ever precarious and at the mercy of another disaster.

Whilst statesmen have learned from the first stage of the great experiment, there are signs also of a resurgent conviction and determination amongst the peoples themselves. Great Powers have been blamed for the first failure. But which State has not, at some time and to some extent, shared that responsibility? The leaders have been blamed, but the people whom they led cannot escape. They found it too easy to think themselves secure; deluding themselves that they were living on islands, if not of prosperity, at least of security, they accepted too easily the comfort of the superficial belief that the world could blaze in some foreign lands or distant continents while life flowed calmly past them; they listened too easily to the cheap sneer at the idea of international interdependence and responsibility, of "the indivisibility of peace"; and when a leader here and there, with hard realism, risked his political career in expounding this truth, he was only too often contemptuously labelled "idealist" and "dreamer". Thus the peoples have their ultimate share of responsibility for the catastrophe which has overtaken them and which they are now facing with such magnificent courage, steadfastness and determination.
Peace must be organised, peace must be co-operative; or there will be no peace. The form that organisation will take will probably be different from that of the first stage of the experiment. The organisation will be different, at any rate, in content whether the form be similar or not. There have been thought and activity tending to regional or continental organisation. There has been discussion of Federations, of Unions; and action has begun here and there to form the nuclei of groups. All this concern with the form of organisation is to the good, as is the seeking for security and for economic health. But, even if Governments decide to look for a partial solution in this direction, it can only be partial and must depend for its final stability on a universal organisation. In the last of the series of articles on "The Essential Conditions for an International Order" based on the Pope's Christmas Message of 1941, to which reference has already been made, the Osservatore Romano makes some remarks on this subject which are of interest:

"Steps must be taken to ensure that the groups of States, whether regional or continental, are not the result of the failure to achieve a universal Community of States, that they are not merely a makeshift, substituted for the unity that has been sapped or broken, but that, on the contrary, they constitute stepping-stones leading progressively to the universal Community. If the latter is not always capable of giving exact expression to the special interests of groups of States bound together in a system of political and economic affinities, from which the general Community is too far removed, it is, on the other hand, capable of bringing together the individual special guarantees and of transforming them into more general guarantees which give a harmonious and organic character to the functioning of the Society of States."

Between nations there must be law, there must be justice; but there must be force, economic and military, behind that law and justice: such force cannot be supplied unless it is based on the will of the peoples and on their conviction that the maintenance of peace is worth some sacrifice. The machinery through which the first effort was made in the inter-war period was not in itself bad; it was indeed good, and much of it may be used for the work of rebuilding and reconstruction on the new plans which will emerge. The League of Nations has been kept in being; some nations have left the organisation
because it represented things hostile to their policies or what they believed to be their interests; others may neglect it in fear or in doubt, but for others—and for masses of people in all lands—it still remains a beacon of hope, a promise for the future.

The following account of the activities of the Secretariat of the League during the last twelve months, and some broad indications of future tasks, will show how, after the disorganisation ensuing from events, the Secretariat adjusted itself to the changed circumstances and not only carried on with the plan of work decided upon last year but also established a wider programme of fresh activities such as will have their bearing on problems of reconstruction. Even with the realities of war occupying nearly all the energies of peoples and Governments, it is both the time and the occasion to stress the future needs of the post-war world. The international organisations should not merely conserve as much of their activities as financial and war circumstances permit, but should be preparing, and are preparing within their means, to help Governments to solve the vast problems of the coming times. More human beings may be destroyed after the war by the absence of foresight than were victims during the conflict.
1. Economic Intelligence

Introductory Remarks.

In the "Brief Statement on the Activities of the League of Nations and its Organs" that I issued last summer, I outlined the programme of work to be undertaken by the Economic Intelligence Service during the year 1941. That programme fell into two parts: first, the publication of certain volumes dealing with current economic developments and, secondly, the initiation of studies likely to prove useful now or later in connection with the formulation of policies by Governments designed to influence world economic organisation after the war.

It seemed to me desirable to maintain the three pivotal publications of the Service dealing with current economic developments—namely:

The World Economic Survey,
The Statistical Year-Book, and
The Monthly Bulletin of Statistics,

and this, thanks to the co-operation of Governments of both Member and non-member States in furnishing information, has in fact been done. The decision to send part of the Economic, Financial and Transit Department on mission to Princeton, N.J., has greatly facilitated the execution of this programme. The work is now so divided that those at headquarters in Geneva are able to specialise on European developments, while those on mission follow the course of the
events in the rest of the world. The *Statistical Year-Book* and the *Monthly Bulletin of Statistics* are still printed in Switzerland, part of the information for them being collected in Princeton, where the *World Economic Survey* was written. This *Survey*, which covers the period from the outbreak of war to the middle of 1941, is naturally mainly concerned with war finance and war economy. The scope of the work may most easily be judged from its table of contents:

I. *Transition to War Economy:*
   - Principal Characteristics of the Transition.
   - General Developments in the Latter Part of 1939.
   - Special Problems in Certain Countries.

II. *Wartime Control of Production:*
   - Organisation of Control.
   - Industrial Mobilisation.
   - Regulation of Labour.
   - Regulation of Agriculture.

III. *Consumption and Rationing:*
   - Indirect Restrictions.
   - Rationing.
   - Rationing and the Standard of Living.

IV. *Public Finance, Money and Prices:*
   - Government Expenditure.
   - Taxation.
   - Government Borrowing.
   - Money, Prices and Interest Rates.
   - Price Control.

V. *International Monetary Relations:*
   - British Exchange Control.
   - The Sterling Area.
   - Gold and Dollar Resources of the Sterling Area.
   - International Financial Relations of the United States.
   - Chinese Exchange Problems.
   - European Currencies under German Control.

VI. *Raw Materials and Foodstuffs:*
   - Production.
   - Stocks.

VII. *Industrial Activity.*
VIII. International Trade:

Synopsis of Trade Returns.
Trade outside Continental Europe.
Trade in Continental Europe.

IX. Transport:

Ocean Shipping: General Considerations.
Shipping Problems of the United Kingdom.
United States Shipping Policy.
Movement of Shipping Freight and Insurance Rates.
The Shipping Situation summarised.
Transport in Continental Europe.

X. The Situation in the Summer of 1941.

In addition to these three regular publications, a reprint of the volume on cyclical movements in economic activity which was first published in 1937 under the title *Prosperity and Depression* was issued in the spring of 1941 and a new English edition, containing a substantial additional part, in the autumn. This volume, of which Professor G. Haberler is the author, has been reprinted six times in English and twice in French and translated into Swedish, Japanese and German.

Finally, the Department prepared and published early in 1941, as I recorded in the "Brief Statement on the Activities of the League" mentioned above, a special study on Europe's Trade. I shall refer to this study again below.

Programme for 1942.

I. Work on Current Economic Events and Tendencies.

The establishment of the mission in Princeton, the reorganisation of the work which it has involved, the training of local staff, the reconstruction of records, etc., have necessarily absorbed a good deal of the time of the Economic, Financial and Transit Department during the last twelve months. That reorganisation has now been accomplished and I am anxious to revive at least one of the publications that have been abandoned since the war.
My intention is therefore to continue in 1942 to publish:

(a) *The World Economic Survey*,
(b) *The Statistical Year-Book*,
(c) *The Monthly Bulletin of Statistics*,

and, in addition, to issue the statistical part of the work which used to be published in two volumes under the title:

(d) *Money and Banking*.

The reasons for selecting these particular publications are, I think, self-evident. The war has inevitably set in motion forces which are producing radical changes both in national and international economic structure, and in economic tendencies. Some trends of development, which were previously clearly discernible, are being arrested, others enormously accelerated. Those responsible for the formulation of policies designed to influence the conditions of economic life in the future must bear those changes in mind when framing those policies. The first object of the *World Economic Survey* to-day is to afford evidence concerning the nature of those changes, viewing the situation, not from the narrow angle of a single national capital, but in all its breadth.

The other publications mentioned above are confined to those phenomena which can be recorded in statistical form. Although most belligerent Governments have greatly restricted the scope of their production statistics, the volume of statistical information that continues to be published is still very considerable and the need for it has in no way diminished; this need can obviously be both more expeditiously and incomparably more economically satisfied by the collection and distribution of the statistics through one world centre than it could be were each national administration forced to do the work itself.

Banking statistics, in which every depositor is concerned, have naturally been less severely pruned than most other branches of economic information, and it is, I think, desirable that the League should resume the publication of the volume in which it summarises these on a comparable basis for as
many countries of the world as possible. The changes that are taking place in banking structure and in the function of banks, in the supply of money, and in the distribution of reserves, constitute one of the groups of phenomena that may well have an important influence on the nature of the ultimate transition from a war to a peace economy.

With conditions changing as rapidly as they must in time of war, it is difficult to lay down a rigid programme of work in advance for so long a period as twelve months. A situation may arise in which the League may be able to render a service by the rapid preparation of a pamphlet on some special subject of importance at a particular moment. Several of the subjects—such as rationing, for instance—which must in any case be currently followed for the preparation of the World Economic Survey, may require to be reviewed more frequently than once a year. I propose, therefore, so to organise the work as to permit of the preparation of quite brief special studies should the need for them seem to arise.

II. Work in connection with Post-war Economic Problems.

If the objectives of the “Atlantic Charter” that “all the men in all the lands may live out their lives in freedom from fear and want” are to be realised, post-war policies must be thought out in advance and the lessons to be learnt from past experience must be learnt.

The second part of the programme that I laid down last year related to problems of post-war relief, reconstruction and reorientation. The members of the Secretariat have had a unique experience in surveying and in dealing with such of these problems as necessitate international discussion and international treatment.

It is not their function to formulate policies themselves; but they may, I believe, make a real contribution to the ultimate formulation of such policies by conducting preparatory studies now, and an elastic programme of studies dealing with international economic experience has been drawn up on which a considerable amount of preparatory work has already been done during the last twelve months.
In the execution of this programme, three guiding principles are being kept constantly in mind. These principles may be briefly summarised as follows:

(a) Every day is creating its to-morrow; the future must inevitably be built on the past. But before that building is planned and projected, we should ascertain what were the causes that led to failure—or success—in the recent past, learn and apply the lessons that may be deduced from the past. It is not sufficient to know the facts; we must know their causal relationships and be able to indicate, from the evidence of the past, not the final objectives that must be the expression of collective human will, but the roads by which this or that objective may or may not be reached.

(b) Such evidence as to the past must itself be supported by an adequate basis of fact, and the essential information should be so collated and analysed as to allow those responsible for the formulation of policy to frame their own judgment on them.

(c) While the future that lies before us is veiled, the core of the social and economic issues of that future is likely to be the problem of social security; we know, too, that inherent in the organisation of modern society are dynamic forces conducive to instability. Two groups of such forces may be distinguished: those that lead to fluctuations in economic activity with their train of depressions, stagnation and unemployment, and those that have their origin in demographic pressure or the demographic pattern of society. The continued existence of these forces may be postulated and no social stability can be assured until we have learnt to deal with them. The means by which such control may be rendered effective must therefore constitute the central thread of all constructive thinking for the future and all policies must be considered in the light of their probable effect on economic stability, on demographic conditions, on social security.

It is not my intention in this report to set out in detail the full scope of the projected programme of studies. Such a programme must, indeed, be kept fluid and adapted to changing conditions; but the general range of the subjects I have in
mind is as follows:

(a) Commercial Policy.

No person considering the history of commercial policy during the two decades 1919-1939 can fail to be struck by the apparent contradiction between, on the one hand, the policies recommended by national and by international experts, by Governments and business-men in conference and, on the other, those actually adopted by each Government acting in its sovereign capacity. There must be an explanation of this paradox. Before policies for the future can be formulated, it is necessary to ascertain the nature of the forces that drove Governments to act in contradiction to the principles they publicly professed and to consider how far those forces are likely to make their influence felt in the changed conditions that will present themselves after this war.

This recent historical paradox and its explanation must constitute the central theme of any constructive study of commercial policy. But there are many cognate problems—such as the specific causes of the introduction of quantitative restrictions on trade, the possibility of maintaining effective trading relations between countries with a free price economy and those imposing exchange control or maintaining a Government monopoly of trade—which demand separate consideration. Work on these questions is now under way and is being buttressed by special studies of trading relations, largely influenced as they were by the commercial policies pursued. One such study has already been published—namely, that entitled Europe's Trade mentioned above. The objects of this volume are to consider what was the part played by Europe in the trade of the world, how far Europe was dependent upon external markets and to what extent external markets were dependent upon her, to estimate the importance to her of what, in the absence of a better term, is known as Empire trade, and to illustrate the commercial and general economic interdependence of different parts of the continent. It will be followed shortly by a companion volume dealing with the trade of the rest of the world, but more especially with the "dollar-sterling-peso" area. The purpose of this
second volume will be to consider the degree of self-sufficiency or dependence of the major countries or groups of countries in the area covered, the classes of goods in which trading takes place, the manner in which the international trading system functioned in the past, the extent to which it was undermined by bilateralism before the war and the effects of bilateralism on the whole mechanism of international transfer. Such analyses of the actual facts are, it is believed, indispensable for the formulation of rational commercial policies; but they require to be supplemented by parallel studies of the more important changes in the factors at play that are taking place to-day. Those changes in international indebtedness, in international services rendered, in international division of the world’s industrial equipment, in comparative costs of manufacture, must very largely determine the course of trade in the future and the evolution of commercial policy. In the execution of its programme, the Secretariat must therefore move from the past and through the ever-advancing present. Its programme of work must, as I have already said, remain fluid.

(b) Raw Materials.

Closely allied to commercial policy is that of raw materials. In the fourth point in the “Atlantic Charter”, the President of the United States and the Prime Minister of the United Kingdom stated that their countries “will endeavour, with due respect for their existing obligations, to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity”.

Early in 1940, the League published a volume entitled Raw Materials and Foodstuffs: Production by Countries, which contains statistics of the production of and trade in all the more important raw materials and foodstuffs country by country. This record of sources of supply constitutes the foundation for the other studies now being undertaken, which are concerned on the one hand with obstructions to free access, raw-material control schemes, raw-material shortages and surpluses at the end of the last war and, on the other, with the proposals that
have been made to assure equal conditions of supply or prevent violent fluctuations in price.

Here, again, the purpose is to ascertain first the nature and cause of the difficulties that have presented themselves and, secondly, the nature and success or failure of the solutions to those difficulties that have been sought.

(c) Relief and Reconstruction.

The first measure of reconstruction after the war must be to furnish relief to those in need of it. The economic mechanism cannot function efficiently before the human mechanism. I am proposing that the whole experience of relief and reconstruction should be reviewed, not as two problems, but as one. A memorandum on post-1918 relief measures has already been prepared in first draft and this should be followed by critical studies of the reconstruction schemes on which the League has, of course, exceptional experience. Both economic and strictly financial problems are involved and the experience, not only of those countries which had recourse to external financial aid to re-establish order in their public finances and in their monetary systems, but also of those which were able to rely on their own resources should be examined. Amongst the economic problems will be included, not merely the immediate economic effects of reconstruction loans and the manner in which immediate ill-effects may be checked, but the broader issues of the effects of large international capital movements on economic fluctuations. The various forms of international lending, whether by direct investment or by the acquisition of equities or by bonded debt, or by some system of lend-lease, have widely different ultimate effects on both the financial and the commercial relationships of nations. The nature of these effects and their implications as regards both financial and commercial policy constitute one of the subjects under this general heading of relief and reconstruction to which I am anxious that special attention should be paid.

On the other hand, I am not proposing to include in this programme of studies at present any investigation into the measures taken by Governments after the last war to reconstruct their devastated areas. Certain monographs on this
subject already exist and additional information is at present difficult to obtain. The League published, however, in the autumn of 1939, a volume entitled *Urban and Rural Housing*,¹ in execution of a resolution of the Assembly that an international study should be made “of the methods employed in various countries for improving housing conditions, with special reference to the cost involved and the results obtained”. This volume dealt in some detail with housing problems and policies after the last war.

(d) Agriculture.

The need for relief will arise mainly on account of the effect of the war in Europe and elsewhere on agricultural production, and neither relief nor reconstruction can be considered independently of agriculture and nutrition. It took six to seven years for European agriculture to recover its productive capacity after the last war, and the need to effect large purchases of food from overseas constituted a major cause of economic strain and financial breakdown. A consideration of the causes and effects of the relatively slow recovery and of the probability of those causes operating again with a like force is clearly a necessary preliminary to the formulation of any rational policy of reconstruction.

This question, which involves a careful study of current agricultural developments in war areas and elsewhere, is therefore the first to which attention should be turned. Work on it has in fact already begun. When it is completed and as the effects of the war on agriculture, especially in Europe, gradually make themselves apparent, it should be possible to draw some tentative and provisional conclusions concerning the demand of the war-affected areas for imported foodstuffs and the probable duration of that demand. But these conclusions must be and remain tentative and provisional. The duration, the amount, and the nature of the demand will depend upon the nutritional and agricultural policies adopted by Governments. The knowledge of nutritional requirements which has been gained in the last twenty years should indeed

¹ Series of League of Nations publications 1939.IIA. 2.
profoundly affect the nature of the demand for foodstuffs and agricultural planning in the future. The League has taken a prominent part in this movement, in the determination of minimum standards, in the promotion of improved nutrition and in the study of the economic and agricultural implications of progressive nutrition policies. But when war broke out, the movement was still in its early stages of development; the war itself has at once gravely reduced nutritional standards and vastly increased the public consciousness of their importance. I am anxious, therefore, that the work so successfully begun by the League should be continued and that the programme of agricultural studies should include a careful examination of the economic and agricultural implications of the adoption of policies by Governments both in Europe and elsewhere, designed to assure a minimum adequate diet to all classes. This should be coupled with a study of the factors which have influenced agricultural policy in the past and a consideration of how far the policies resulting from these factors have been compatible with one another and with accepted nutritional doctrines. In this way, it should be possible to consider the whole complex of questions at once from the standpoint of the consumer and of the producer of essential foodstuffs.

(e) International Currency Problems.

One of the two main objects of the reconstruction schemes of the 'twenties was to restore an international currency system. It remains to be seen whether a similar endeavour will be made as rapidly after the termination of this war. But it is at least certain that one of the main concerns of Governments will be social security and freedom from the risk of unemployment, and these major objectives cannot be usefully considered irrespectively of the monetary mechanism required for their realisation. Moreover, at the very outset, the extremely complex problem of the adjustment of national price-levels to one another and to a gradually evolving world price-level will present itself. The rapid and haphazard decontrol of prices in 1918-1919 and the rapid unpegging of exchanges were two of the causes that contributed to the
restrictive commercial policies from which the world never freed itself. A too prolonged maintenance of controls set up for war purposes and inappropriate for a peace economy may have similar disastrous effects. The whole problem of the orderly transition from war to peace economics is one of the most complex and one of the most vital that will confront statesmen, and it is clearly one which calls for a careful international co-ordination of national policies. Before such co-ordination can be attempted, it is necessary that the question should be thought through and all its ramifications explored. Here, unfortunately, the evidence of the past is of but limited value, as the lack of co-ordinated policies and of any orderly process of adjustment was one of the major causes of subsequent confusion. Some preliminary work on this question has been initiated with a view to defining the many distinct problems which present themselves for solution.

No international currency system can be established until this process of adjustment is completed; but many of the lessons to be derived from past currency experience will require to be considered before then. The programme of work has been designed therefore to cover such questions as the advantages and disadvantages of fluctuating or fixed, free or controlled exchanges, the suitability of fixed exchange rates for agricultural countries, the causes of the drift towards monetary autarchy, the principles of policy employed in the gold exchange standard in the 'twenties and the sterling standard of the 'thirties, exchange equalisation funds as a contribution to currency machinery, conditions essential for the successful operation of various currency systems. These questions, on which much evidence from the last twenty years is available, constitute an interrelated whole and their study is a natural complement to the annual surveys of monetary experience which the Department has prepared in the past.

(f) Economic Depressions and Social Security.

In execution of a resolution adopted by the Assembly, the Council of the League appointed a delegation in 1938 "to study and report on the measures which might be employed with a view to the prevention or mitigation of economic depressions".
In the early summer of 1939, a first draft report was considered by the delegation and a second draft was circulated to members in August 1939. The war itself must give rise, as all great wars do, to serious additional causes of economic disequilibria and instability and to new problems of major importance with which the final report will no doubt deal. Many of the studies I have mentioned are clearly essential for the preparation of such a final draft, which will be concerned, not only with the self-generated causes of alternating prosperity and depression, or with the structural changes which take place during the war, but with the longer-term influences of demobilisation programmes, of reconstruction measures or of the orderly or disorderly processes by which national price-levels are adjusted to one another.

It is not possible to attempt the final drafting at this stage, but it is, I think, of great importance that the Secretariat should be fully prepared to undertake this work whenever it may be required and that it should make a careful study of the first period of boom and depression after the last war, of the causes that contributed to these booms and depressions, and of the means by which they might have been mitigated. Some of the evidence relating to this period has already been collected and analysed and a start has also been made on the more complex questions of the extent to which the tragic depression of 1929-1932—which contributed so largely to that social disorder and spiritual unrest that preceded the war—was due to causes that had their origin in the war of 1914-1918 or in the policies of reconstruction subsequently adopted. Policies for the future must be framed in the light of all available evidence concerning the causes contributing to fluctuations and economic disequilibria in recent years. But the problems are extremely complex and demand careful and scientific consideration. Much of this work will be required not only for the purposes of the delegation's final report, but in order to throw light on the other problems I have mentioned, on commercial policy, on reconstruction and relief, on agricultural policy, on monetary policy. Indeed, the whole dynamism of economic life is bound up with this problem of fluctuations in economic activity as it is with the forces arising
out of the slower changes in the demographic pattern and behaviour of society.

(g) **Demographic Questions.**

In 1938, the Assembly passed a resolution requesting the Council of the League "to constitute a special Committee of experts to study demographic problems and especially their connection with the economic, financial and social situation, and to submit a report on the subject which may be of practical value to Governments in the determination of their policies".

The Committee, which met in 1939, approved a general plan of work on these subjects, a plan which was interrupted by the outbreak of war. Since the economic and financial mission began its work in Princeton, an arrangement has been made under which the Office of Population Research in Princeton University has agreed to carry out this programme under the general editorship of the Director of the Economic, Financial, and Transit Department of the League. The full details of the programme (see Annex, page 33) have been approved by me. As the amount of work involved is necessarily considerable, this programme is at present confined to Europe; but that fact does not preclude its subsequent extension to other areas should circumstances permit. The Demographic Committee was anxious that the work at headquarters should be accompanied by field studies in selected regions. Such field studies are to-day, of course, impossible; but it is proposed to analyse the available data for relatively small regions in order to obtain as accurate a picture as possible of the general demographic pattern and trends in Europe. It is believed that this whole study will prove of real value as affording the essential basis of facts when the peacetime organisation of Europe arises for discussion.

III. **The Form of the Documentation.**

I have emphasised more than once the need for keeping this whole programme of work elastic, and any rigid rule regarding the final form that the results of these various investigations should take would clearly be inappropriate. Certain of the
studies—such as those relating to trade and part at any rate of the demographic programme—are being prepared for publication. Others, such as certain of those relating to economic depressions, are needed for the preparation of draft reports to be submitted when the time comes to the appropriate League committee. Others should be available in typescript form for the use of whatever Government organs may be concerned at any moment with the particular subject with which they deal. In some cases, all that is required is that the Secretariat should have made so thorough a study of the problem as to be able to prepare a memorandum on it at short notice in the form most appropriate to meet whatever demand may arise. It is important, therefore, that Governments should be aware of the work that is being undertaken, in order that they may avail themselves fully of the League services.

IV. Cost of the Work.

The work of the Department on current economic events is divided between Geneva and Princeton and is covered for the most part by the normal budget of the Department. The programme of studies of the post-war settlement, on the other hand, is being carried out in Princeton, and—apart from the salaries of the permanent members of the Economic, Financial, and Transit Department in Princeton, who divide their time between this and other work—is covered by a grant generously voted by the Rockefeller Foundation.

I should like to record my gratitude to this and other foundations which have directly or indirectly aided the work of the Department and to the authorities of the Princeton University and the Institute for Advanced Study for the facilities they have offered and the help they are giving.

2. FISCAL COMMITTEE

On tax problems, the League is carrying out the programme to which I referred in my "Brief Statement" of last summer. The draft reports adopted by the Conference on International
Tax Problems that met in Mexico in June 1940, thanks to the hospitality of the Mexican Government, have been distributed to the members and corresponding members of the Fiscal Committee. The first of these reports, which deals with the principles of taxation, is now being used, in spite of its provisional character, by several Governments of Latin America as a guide in their tax reforms. The second report, which contains a revised model convention for the prevention of international double taxation through income and property taxes, is regarded by a large number of tax administrations as a useful basis for bilateral negotiations with other countries.

In the autumn of last year, I sent the secretary of the Fiscal Committee on mission in order that he might establish personal contacts with the fiscal authorities that had been represented at the Mexico Conference and with other Governments. From the conversations he had, it is apparent that there is a widespread desire that a second conference should be organised as soon as possible to pursue the work that was begun in Mexico. The suggestion was also made that the past studies of the Fiscal Committee on tax evasion should be resumed and that enquiries should be undertaken on the co-ordination of central and local finance which constitutes a pressing problem in a number of countries. It is proposed, therefore, to convene a second Conference on Tax Problems in the course of the current year in some Latin-American capital.

The secretary of the Fiscal Committee had the opportunity to discuss the various activities of the Economic and Financial Organisation with members of the Governments and administrations in the twelve countries he visited. In the course of these conversations, relating to the work of the Economic Intelligence Service, drug control, nutrition, tariff nomenclature, etc., the desire of the various Governments to be fully associated with the technical work of the League and to be fully informed about it became apparent.
3. COMMUNICATIONS AND TRANSIT

I. Current Developments.

My "Statement on the Activities of the League" issued in 1941 mentioned the fact that information concerning important developments in the sphere of communications was being regularly collected, analysed and recorded month by month by the Secretariat. This work has continued, as it is obviously important that the evolution of the transport situation should be closely followed. The far-reaching changes which are progressively taking place both in structure and in methods of exploitation will, no doubt, directly or indirectly influence the post-war situation. As a result of present circumstances, indeed, transport is developing along new lines. Even in regard to regime and organisation, measures which are being taken in different countries, although devised to meet the particular needs of the moment, are nevertheless intended, in part, to prepare the way for future developments.

This is true of the most important pre-war problem in this field—that of the co-ordination of transport, concerning which an enquiry was conducted amongst Governments by the League's Organisation for Communications and Transit and resulted in the publication of much valuable information covering the period up to the outbreak of the war. The efforts made before the war were intended primarily to promote the normal co-existence and collaboration of different means of transport and they were more particularly directed towards preventing ruinous competition between rail and road transport. Now, a new tendency prevails. The object sought is the general rationalisation of the means of transport taken as a whole, so that to each there may be allotted those kinds of activity which are best suited to its special capacities. Thus would be ensured the most efficient use of each of these means and a maximum yield of all of them, in the general interest of the community.

On the basis of the information collected, certain studies were undertaken bearing on some more particular issues and relating especially to the evolution of the transport situation in Conti-
nental Europe since the beginning of the war, for it is there that the changes have probably been the most radical. This work has been facilitated by the fact that it is being carried on at headquarters in Geneva. For the moment, part of it has necessarily an internal character, the intention being, in the first place, to prepare documentary material that shall be as complete as possible, with a view to providing a basis for future investigations in this field.

II. Transport in relation to Post-war Relief and Reconstruction.

As already stated, the developments at present taking place will undoubtedly influence the future transport situation. That situation will be a factor of outstanding importance in all action concerned with post-war relief and reconstruction. The transport facilities then available will, indeed, to a large extent determine the possibility of executing plans for relief—e.g., those for sending the necessary foodstuffs to populations in distressed areas and for supplying countries with indispensable building materials as well as raw materials in general. For this reason, the first measures to be taken after the war must certainly include the rapid reconstruction and re-opening of means of transport that have been damaged as a result of hostilities, together with the normalisation, as far as possible, of the working of the different national transport systems and the re-establishment of international collaboration or control.

In considering the probable developments in transport after the war, it is obviously useful, not only to note wartime changes, but also to examine the situation that existed after the war of 1914-1918 and the problems that arose during that period. Investigations have accordingly been undertaken in this direction also, more particularly with regard to the situation of maritime navigation in the period following the armistice of 1918 and the economic consequences of that situation. It is not improbable that, as a result of the greater and more widespread destruction and deterioration of means of transport and of material, the situation in regard to both
maritime and land communications will be even more serious after the present war. It is certain that the restoration of communications in the interior of many countries and the re-establishment of indispensable international connections will constitute an enormous task. It is therefore obvious that all possible advantage must be taken of the experience gained after the first world war.

In this connection, the important and effective part played by the League in the reconstruction and the reorganisation of communications after the war of 1914-1918 will be remembered. The League's action was, in the first place, more particularly concerned with Europe and was afterwards extended to certain extra-European countries. The experience thus acquired may well be valuable and an analytic investigation is therefore envisaged of the methods employed and the results achieved. Certain preliminary work has already been started, so far as the present resources of the staff permit. Moreover, the possibility of collaboration with certain competent institutions also engaged on a study of the same problems has been considered, and their work is being closely followed.

Further, even after the first period of relief and reconstruction, transport will have to play a very important part in efforts to bring about that general improvement of social conditions which has been proclaimed as one of the aims of post-war reorganisation. It is not necessary to stress the fact that the general standard of living is inevitably affected by the existing means of communication and, more particularly, by the policy which governs their exploitation. This is already clear from the first results of the enquiry amongst Governments on this matter, initiated by the League shortly before the outbreak of the present war. The problem must also be borne in mind for the future.

III. Future International Organisation.

It is not yet the moment to attempt to draw up plans for the organisation of transport in the international sphere in the future, or to lay down the basis and forms of future collaboration between States in this field. Nevertheless, preparatory
studies have already been started, as a contribution towards a possible examination of this problem by the competent authorities at a later date. In this matter also, it would be unwise not to take advantage of the experience gained in the past. The international action which started in the nineteenth century in this field was the first effort of the kind and it gave valuable practical results—both as regards the organisation of transport between countries, transit, common tariffs, etc., and in connection with the international regulation and unification of technical, administrative and legal rules concerning transport.

In this sphere, too, during the twenty years between the two wars, the League’s Organisation for Communications and Transit contributed largely to the framing of what was beginning to form an international statute on communications. Numerous conventions and agreements concerning the international regime of different means of transport were concluded under its auspices and received broad practical application by Governments. A critical analysis of the results achieved in the past will therefore enable valuable conclusions to be drawn at the moment when it seems possible to proceed with the preparation of the new organisation of the future.

Annex.¹

Demographic Problems

Demographic trends are basic factors in the economy of nations and in international relations. The acute population problems connected with the origin, conduct, and liquidation of the war are obvious to all, and most of both the popular and the scientific discussion of the relation of population to war and peace has centred about them. “Overpopulation” is one of the “causes” to which wars are popularly attributed. The mortality of combatants, the increased deaths of

¹ See page 27.
civilians, the deficit in births, and the displacement of peoples all gave rise to problems of great magnitude during or after the last war. However, much more significant is the dynamics of differential population growth and decline. Deep-lying demographic trends have been powerful factors in the political relations of Western nations. With the trend towards declining numbers, they may well become one of the most important political and economic issues of the future. The existence of these trends, the differences in their development in the various regions, classes, and nationalities, and the ideas people have concerning them must be taken into account in any economic or political reconstruction. Under any economic and political system that does not permit mobility of capital and men, differences in rates of growth alone will make difficult the preservation of an equitable peace among nations.

The project is at present outlined as an analysis of the European situation. Other areas will be considered subsequently. This programme will be carried out as a series of independent but closely linked studies of such a form that each can be separately printed and the whole collection could, if required, be bound together in book form.

A. STUDIES ON EUROPEAN DEMOGRAPHIC PROBLEMS

I. Historical Note. The Background of the Demographic Situation in Europe.

A. The rapid growth of the eighteenth and nineteenth centuries in an expanding economy.

B. The later and staggered decline in fertility, a by-product of industrialisation, as a relief from danger of acute general pressure, followed by the stimulus of a new, though perhaps somewhat conjectural, fear of a long spiral of decline.

C. The results of different rates of population growth in intensifying regional differentials in the relation of population to natural resources, cultural development, and economic opportunity.

II. General Description of the Relationship of Population to Resources in Pre-war Europe. (Factual study.)

A. Introduction.


2. Elaboration of data relating to size, density, levels of living, occupational structure, etc., of the population as of the 1930's.
(The purpose is to show the gross relations between density of population, levels of living, and resources.)

(a) Map showing larger urban population (25,000 or more) and the remainder of the population by small areas;
(b) Map showing population of major occupation groups. Use consolidation of groupings in D.P.f.R.D.S.¹
(c) Level-of-living index for small areas. (Such an index should give weight to health and education and, when possible, to economic status. Paucity of data may prevent the construction of uniform indices throughout all Europe.)

B. The relation of population to utilised agricultural resources.

(The purpose is still to show general relationships and to identify poor or "problem areas" rather than to examine the specific problems of such areas.)

1. Density of the agricultural population on agricultural land (for small areas):
   (a) Agro-forestal area per capita;
   (b) Agricultural land per capita;
   (c) Cultivated land (including bush and tree crop areas) per capita.

2. Economic status of agricultural population (for small areas):
   (a) Physical productivity of land and labour;
   (b) Proportion of value of products consumed on holding of origin;
   (c) Distribution of holdings by size and tenure;
   (d) Farm equipment.

   (An attempt should be made to obtain indices of sufficient reliability to differentiate the areas studied with respect to the above items.)

3. Cultural levels of the rural population:
   (a) Literacy;
   (b) Mortality (infant mortality and tuberculosis).

4. Discussion of the interrelations of 1, 2, and 3, and delineation of rural problem areas.

C. Relation of density of population to living levels in urban areas.

1. Nature of relationship.

¹ D.P.f.R.D.S. — "Draft Plan for Regional Demographic Studies".
2. Broad occupational and industrial distribution of non-agricultural population:
   (a) For each city of 300,000 or more;
   (b) For balance of non-agricultural population by smaller regions.
3. Levels of living in major urban communities (probably using data for cities of 100,000 or more, classified by regions):
   (a) Economic indices—e.g., wage rates, earnings, hours of work per day, housing;
   (b) Mortality (infant mortality and tuberculosis);
   (c) Literacy.
4. Consideration of the degree of dependence of the urban population of various countries on foreign trade.

III. The Dynamics of European Population.

A. Past trends in mortality and fertility of nations and regions.
B. Differentials in rates of natural increase, 1930-1935.
C. Fertility differentials, 1930-1935.

   (Maps should be presented showing fertility by provinces throughout Europe in relation to the composition of the population. The intention is to show the extent to which the birth rate is correlated with social-economic status. In this section, population change is considered as a dependent variable.)


A. The future trend of fertility.
   (A general discussion of possible limits to the decline of fertility, and the likelihood of eventual serious depopulation in Europe.)
B. The prediction of future population.
   (The implications of the pre-war situation may be portrayed vividly by projecting populations forward on the assumption of a continuation of the pre-war trends to a given date in the future. These projections are usually called predictions; actually, they are only descriptions of the situation which would exist in the future if recent trends continued unaltered.)
1. Methods:
   
   (a) General assumptions;
   (b) Procedures;
   (c) Limitations:
       (1) Based on pre-war boundaries;
       (2) Ignores population losses and displacements during
           the war;
       (3) Absence of satisfactory estimates of future migra-
           tion.

2. Total population by age and sex, to 1970.

V. Population in Employable Ages, by Sex.

A. Relation of males in employable ages to future gainfully
occupied population.

B. Estimates of number of additional persons who will have
   to be absorbed into the economies of various countries year
   by year.

VI. The Role of Migration in the Equalisation of European Population
    Pressures.

A. Internal migration.
   
   (The problem here is twofold: (a) To what extent and
   under what circumstances has migration within countries
   tended to be from regions of less to regions of greater economic
   opportunity? (b) To what extent and under what conditions
   do cities absorb surplus rural population?)

1. Movements between regions. Here, for countries where
   migration gain or loss is available for the most recent
   intercensal period, provinces would be classified into four
categories:
   
   (a) Areas of absorption (gaining by migration);
   (b) Areas of balance (little net gain or loss by migration);
   (c) Areas of dispersion (population loss by migration which
       is more than compensated by natural increase);
   (d) Areas of depopulation (loss by migration greater than
       natural increase).

   These migration characteristics, related to the economic
   and social characteristics of the areas, would indicate the
   extent to which migration was tending to equalise economic
   opportunity, or at least to prevent increasing inequality.

2. The population dynamics of industrialisation—i.e., growth
   of cities and rural migration to cities considered in relation
   to problems of agrarian overpopulation.
B. International migration within Europe.

1. Permanent migration within Europe. A statistical analysis of net migration, with special reference to the migration from Eastern to Western Europe, including extent, period of occurrence, and demographic effect on both country of origin and country of destination. The situation in France would be analysed in considerable detail.

2. Seasonal migration as a substitute for permanent migration. Extent, conditions, effects, and limitations.

3. The effect of constricted national frontiers on population movements.

4. Political and cultural difficulties involved in migrations of sufficient magnitude to lessen pressure appreciably in overpopulated agrarian countries.

C. Intercontinental migration.

(This would involve essentially an interpretation of available statistics within the conceptual framework of the present analysis, and not an elaborate analysis of migration statistics per se. The treatment would be briefer than that accorded either internal migration or migration within Europe, because the possible uses of intercontinental migration as a post-war adjustment technique seem so slight.)

1. Historical role, with special reference to its effects on definite regions of the countries of origin and destination.

2. Effects of the virtual cessation of emigration.


A. General characteristics of areas of rapid population growth.

1. Their agricultural nature.

2. Their early stage of economic development.

B. Nature of the economic problems that arise.

C. General types of solutions.

1. Increase of agricultural productivity:
   (a) Area expansion; land reclamation.
   (b) More intensive cultivation.
   (c) Technological development.
   (d) Difficulties; law of diminishing returns; lack of capital; social and cultural barriers to rapid technological advances; lack of foreign markets for increased agricultural production.
2. Internal redistribution of population.

3. Emigration:
   (a) Definitive: objections of receiving country; cost to country of emigration.
   (b) Temporary and seasonal: advantages of cheap labour to receiving country, of income and training to sending country, disadvantage to sending country in times of depression.
   (c) Migration of capital and reduction of economic barriers as a substitute for human migration, leading up to (a).

4. Industrialisation, urbanisation, and enlargement of economic unit:
   (a) Resources, size of State. Extension of size—extension of types of resources.
   (b) Labour:
      (1) Ample supply of unskilled labour;
      (2) Shortage of skilled labour and of technical and managerial skills.
   (c) Lack of capital.
   (d) Markets: smallness of domestic market in ethnic State, competition with developed industries in Western Europe, fostering of infant industry.
   (e) Advantage in terms of trade to an agricultural State obtained from importing raw materials instead of manufactured goods.

5. Study of special areas.
   (Problem areas as delineated in Section II, considering the applicability of general solutions to specific situations.)

6. Problems of future population pressure.
   (The techniques of relieving population pressure outlined above are at the same time the conditions for reducing the population growth producing that pressure.)

VIII. Areas of Actual or Incipient Population Decline.

A. Delineation of areas, based on Section IV.
   (Includes: 1. Areas of actual decline in total population; and 2. Areas in which only the younger cohorts are now declining.)

B. Economics of the transition from growth to decline.
   1. The rôle of population growth in the expansion of Europe through the nineteenth century.
2. The rôle of diminishing rates of population growth in the depression of the thirties.

C. The economics of decline under various assumptions as to the conditions in which it occurs.
   1. Critique of static analyses.
   2. Dynamics of the economy under conditions of population decline.

D. Methods of countering the adverse economic effect of population decline.
   1. Domestic Governmental policy:
      (a) Measures to reduce impact of business fluctuations;
      (b) Measures to meet specific problems caused by the ageing of the population (e.g., Problems created by changes in specific demand, technological changes, the rising burden of old-age dependency, changes in the allocation of public expenditures, etc.).
   2. International measures.

   (Presented in terms of the reciprocal needs of areas with declining population and areas with population pressure.)

E. Problems of special areas as delineated from materials presented in A.

F. Implications for the future.

   (The problems of decline will become increasingly important as the small family pattern spreads over Europe. In the absence of positive policies, decline may eventually characterise most of the nations of Europe.)

IX. Population Policy as a Means of forestalling Rapid Population Decline.

   (This could be a broad general summary of the development of population policies, the probable intensification of concern in the future, and the implications for an economy of any population policy that is to reduce the economic burden of the multi-child family to any appreciable extent. It would be a sound note on which to end, and there is some justification for doing it, since: 1. It will be a problem of increasing importance, whatever the economy and the governing power. 2. In this case, population assumes to a considerable extent the rôle of an independent variable producing extra modifications of the entire distributive process.)

B. Studies of Asiatic Problems—to be elaborated.

C. Studies of Other Regions—to be elaborated.