It would be unreasonable to offer the European States as a remedy for their troubles the mere hope that from fresh discussion there will emerge a fresh academic resolution. In the meantime, we must act and in such a way that it will be plain to all that the period of fulfilment has actually begun. To my mind, that is a psychological no less than an economic necessity. In my opinion, the sphere in which immediate action is most urgent is that of agriculture.

I notice that the question of preferential tariffs has given rise in this Commission to certain objections. I do not think that these objections are insurmountable, but I am not at the same time misled into thinking that we can immediately get rid of all the difficulties involved in the solution of this question. I say therefore that we adhere to the Roumanian Government’s point of view as defined by our delegates on many past occasions, and I hope that, at the forthcoming Wheat Conference to be held in Rome, the question of preferential wheat tariffs will at length receive the equitable solution it deserves.

In the meantime, what must we do? To my mind, there are two problems which we can take up immediately with some prospect of success. The first is the sale of the available stocks of cereals from the 1930 harvest. The second is the problem of agricultural credits.

These two questions must be taken as an indivisible whole, for their concurrent solution would place the various States in possession of a diversity of means appropriate to the circumstances of each but devised for a single aim — namely, a first form of European co-operation.

There are some States in Europe which at present buy cereals to meet their own needs. Why should they not immediately purchase the surplus from our 1930 harvests? This would entail no breach of any treaty of commerce whatever, it would be purely and simply a commercial operation, because so far as I can see, every country is entirely free to buy its foodstuffs where it thinks best.

If cereals were bought to-day on the European market in places where there is a surplus, you would not only be giving great help to many European countries but you would, at the same time, be accomplishing an act which would prove to all and sundry that European union is not a myth.

There are other countries which do not buy cereals, either because they are not importers or because they have already assembled their stocks. They have, however, a quantity of available capital which they would be only too ready to invest abroad if reasonable conditions of security could be offered. What is it that deters capital in these countries from taking the road of the Central and Eastern European markets? What is the explanation of the abundance of capital in the banks in Western European countries where it brings in only 1 per cent or nothing at all, while peasants in the Central and Eastern European agricultural countries are paying usurious rates of interest? To be quite frank, the reason is lack of confidence. Confidence, particularly in matters of finance, is not created by making speeches. It is created by appropriate arrangements.

What are the concrete reasons for the shortage of credit in the existing national agricultural establishments or in those which are on the point of being set up, and of which the object is to help farmers? In my opinion, there are three main reasons.

First, there is the diversity of law on mortgage, pledging, seizure and distraint in the different European countries. Next, there is the hopeless confusion in which western lenders find themselves when trying to ascertain the exact value of the scrip offered them. Lastly, there is the absence of any international central establishment which would be conversant with the credit conditions of each country and might sell scrip with a full knowledge of all the circumstances— that is to say, after satisfying itself as to the value of the pledges represented by that scrip.

It would then be desirable for us to proceed immediately, under the auspices of the League, to (1) the unification of private law on mortgage, pledging and distraint, in so far as so-called agricultural loans are concerned; and (2) the foundation of a central establishment whose main task would be to discount the scrip of national credit establishments and to issue on the international market its own scrip which would be backed by its own credit as an international establishment as well as by the combined credit of all the debtor countries. We should thus be materially assisting agriculture in Europe.

These are things which can be done without delay. Why should not our Commission appoint a committee, consisting of delegates of certain States represented here, which would work in co-operation with the League’s technical organisations? We already have at our disposal a very thorough study made by the Financial Committee. This, I think, is a subject on which we could quickly achieve concrete results. If we do so, and do so immediately, we shall not only be helping very many European countries, but we shall also be making a first partial application of the great idea which has brought us together here.

But there is more than that. The keenest imagination could never conjecture all the changes that lie hidden in the future, for reason obstructs our vision and we see only the impossibilities of the present. The method of proceeding by stages, on the other hand, has magic power and opens up time after time unsuspected prospects; when the first stage has been passed things that to-day appear impossible will then be found easy and normal.

If, therefore, you can proceed at once to take the first step in the realm of agriculture, you will not only be helping many European countries, you will not only be realising in
part the ideal by which you are guided, but you will be setting in motion the machine which will lead Europe to the conquest of her peaceful destiny.

Such are the immediate and practical conclusions which in my view emerge from this discussion.

Dr. Curtius (Germany) [Translation]. — When we looked in the mirror held up to us by M. Colijn, we certainly saw something that was not particularly pleasing. I associate myself, however, with Mr. Henderson's thanks to M. Colijn for having given us the truth and the whole truth. The Commission of Enquiry for European Union would certainly be taking the wrong road if, at the commencement of its task, it were misled as to the real position.

M. Colijn, at the beginning of his statement, said that he was not bringing us the key to the solution of the European economic problem; but, towards the end of his observations, he gave us all the same an impression that he was in possession of a kind of master-key; he told us that to solve our principal difficulties we only had all to accept the system of free trade, or at least to make a systematic and uniform reduction in tariffs.

In our discussion on the economic problem we were surprised to hear, after M. Colijn's masterly speech, another equally masterly speech by M. Marinkovitch, which although opposed to M. Colijn's ideas on many points, has made on us a perhaps even deeper impression. Nothing, I think, could indicate better the intricacy of the problem.

There is, indeed, no direct or uniform solution for our difficulties. We must use different methods to deal with problems which have a different complexion in each group of countries. On this point, I entirely agree with M. Marinkovitch.

The point which emerges most clearly from M. Colijn's observations is disappointment that one of the recommendations of the 1927 International Economic Conference, one which became so renowned, failed to produce any result; I mean the recommendation stating that the time had come to put an end to the increase in Customs tariffs and to move in the opposite direction.

Can it really be said in such sweeping terms that this recommendation has had no effect? I feel sure that all Governments which assented to it honestly intend to put it into practice. In so far as the German Government is concerned, I can say this categorically. If the recommendation has not been carried out in the way in which we all hoped it would, this is due not to lack of goodwill on the part of the Governments, but to the fact that the situation has developed in another direction and that circumstances have gained the upper hand. There has been a sort of upheaval in the economic world. There, too, I can agree with M. Marinkovitch.

In order to gauge the situation in this respect we must make a distinction between industrial duties and agricultural duties. If we compare the level of industrial duties to-day with that existing at the time of the International Economic Conference, we shall see that they have not increased. On the contrary, they have been lowered considerably; and the reductions are not only slight ones; in the most important matters — for example, the duties on textiles — we find very appreciable reductions.

This reduction of tariffs has been achieved both by bilateral agreement, as recommended by the 1927 International Economic Conference — I may remind you in this connection of the Franco-German Treaty of Commerce — and by independent legislation. The International Economic Conference paved the way for the conclusion of the Franco-German Commercial Agreement which entails important reductions of duties in the two countries.

It is, I think, desirable that this fact should be definitely placed on record in order to save the honour of the 1927 Conference.

The German Government, moreover, has been to a very large extent guided by the Conference's recommendations in its attitude to the many efforts that have been made to obtain higher industrial duties. The same may be said, I imagine, of other countries.

The situation is entirely different when we come to agricultural duties. In Germany, we have to-day on certain agricultural products duties which we would have deemed impossible at the time of the International Economic Conference and even a year ago, but in this case the radical change in the situation on the world market took us, like other countries, by surprise and we have been forced to introduce extraordinary measures.

The reasons for this unavoidable policy of raising the duties on the more important agricultural products are not to be ascribed to agriculture in the different European countries, nor to European agriculture as a whole. These increases were necessitated by the growth of production and by the fall of the cost of production in the big overseas countries. Those are factors over which we have no power. It cannot surely be argued that the European Governments are to look on at a change of that sort with folded hands and to leave their own agriculture in jeopardy, when they see for instance, that the price
of wheat has fallen by one-half on the world market and that the prices of the other cereals have declined even further.

Germany is commonly regarded abroad as an industrial country. In actual fact, agricultural produce represents 40 per cent in money value of our total output. This figure shows that the preservation of her agriculture is vital to Germany, that she too, accordingly, is forced to take effective and prompt measures to avert the collapse of this industry.

In his reply to M. Marinkovitch's observations, M. Colijn referred to the sugar market. I should like to deal with this illustration in some detail for the conditions on the sugar market are, to a certain extent, characteristic of what is happening on other agricultural markets.

What are the circumstances from the standpoint of the production of sugar? At one time, Germany used to be one of the chief sugar exporting countries. At the present time the sugar output in the cane-sugar producing countries has grown enormously; and owing to a considerable extension of the area under cultivation and to improved methods of cultivation and production prices have fallen by about two-thirds since 1923. I do not criticise the cane-sugar producing countries for increasing their output, but the argument must not be used against the countries which are now on the defensive: the latter must not be blamed for defending themselves. The situation is much the same in regard to wheat and other agricultural produce.

In the case of sugar, an international Convention has been concluded, and a blow has thus been struck at the root of the evil — that is to say, over-production. I trust that this experiment will have lasting results.

M. Colijn thought that the Sugar Convention might be taken as a model for what it would be possible to do in other spheres of agricultural production. I am disposed to agree with this recommendation, although, obviously, the circumstances are very much more complicated in the other branches of agriculture.

I should like also to express the hope that the world Wheat Conference, to meet in March 1931 under the auspices of the International Institute of Agriculture at Rome, will explore this problem in detail and discover solutions on the lines of the Sugar Convention. The non-European wheat producing countries are, I consider, deeply concerned in the success of the Wheat Conference, because only with their assistance and if they understand our problems can the anxieties of the European countries as to the very existence of their agriculturists be allayed.

Whatever the result of the Wheat Conference, the work to be done in connection with it will in any case be extensive and protracted. Our Commission should study meanwhile certain special European problems. We have before us the proposal for a preferential system for wheat from South-Eastern Europe. Like M. Colijn, I hope that this proposal has not been definitely barred, notwithstanding the rather negative attitude adopted by the Conference of Government representatives in November. I hope, on the contrary, that we shall re-examine this proposal in our Commission. The exchange of views between M. Marinkovitch and M. Colijn has given us a glimpse of fresh possibilities: perhaps I may be allowed to go a little further into this problem.

I should first like to make a few comments by way of supplementing what M. Marinkovitch has said. In addition to the Iberian Clause and the special arrangements made between Austria-Hungary and Serbia before the war, there are many other examples of exceptions to the most-favoured-nation clause which have received general sanction. The Iberian Clause does not apply to Spain and Portugal only. These two countries have reserved the right to grant preference to certain South American countries as well. There are likewise the Scandinavian and Baltic Clauses. Russia has reserved the right to grant preference to certain Asiatic countries and Turkey has reserved the same right in respect of certain territories in Asia. Further, some of the South American countries have reserved the right to grant preference to one another reciprocally.

The classic and, at the same time, the most important example of this type of exception is that afforded by the preferential relations between the mother country and the overseas colonies.

M. Colijn, in his reply, agreed that these cases were justified politically and geographically. He was, however, extremely reserved in dealing with the question whether this principle could also be allowed as between other European countries — for instance, and I cite M. Colijn, between France and Germany on the one hand and the South-Eastern European countries on the other hand. Should we be really overstepping the limits of the preferential system if we have received general sanction if we granted the same right to countries which are economically interdependent and which have for a long time been in very close economic relations? Would not such a right be far more real and far more justified between European countries like those I have described, than between the European countries and countries in other continents? The answer must, I think, necessarily be in the affirmative.

I should like also to observe that out-and-out preference, by which I mean a Customs Union, is generally recognised, from the standpoint of commercial treaties, as constituting an exception. Why should it not be possible, by a unanimous decision on the part of the
countries concerned, to institute partial preference seeing that out-and-out preference is not under discussion for the moment?

The assent of third countries enjoying the benefits of the most-favoured-nation clause would, of course, have to be obtained. M. Colijn, in his reply, pointed out to M. Marinkovitch the real difficulties that had been disclosed at the Conference in November. It is not that the importing countries would oppose preference, but mainly that they are concerned with the resistance that might be made by third countries enjoying most-favoured-nation treatment and with the disadvantages that would ensure for the importing countries in their commercial relations with these third countries. This point is of importance; for instance, one of the Sub-Committees at the November Conference unanimously declared that the assent of third countries enjoying most-favoured-nation treatment was a preliminary condition for putting the proposed system into effect. But how can we hope that the most favoured overseas countries will accede in any such inter-European preference for wheat unless the European countries themselves have agreed on this point? Only after the European countries represented on this Commission have come to an agreement shall we have any justification for asking the overseas countries if they are ready to approve. There will be no lack of arguments and figures to prove to the non-European countries that an economic revival in Europe is in their interest as well.

As regards the procedure, I suggest the following system which seems to me the most useful: bilateral preferential treaties should first be concluded between the various South European wheat-exporting countries on the one hand and the importing countries on the other hand. These treaties would then have to be brought to the notice of this Commission with the request that it should sanction them as constituting a derogation, as regards Europe, from the most-favoured-nation clause. It is for that reason that I think it so desirable to have amongst us the European countries which are not yet represented here but which are essentially interested in this matter. After this Commission has authorised the derogation from the most-favoured-nation clause, it will then be time to consider when and in what way the assent of the non-European countries could be obtained. Meanwhile, we might perhaps proceed on the lines indicated by M. Titulesco. The German Government awaits concrete proposals and will give them all favourable consideration.

M. Colijn, in his reply, said that he personally would find it easier to accept the idea of preference if the Geneva Commercial Convention were put into force and so provided a guarantee of stability in European commercial policy. I should like to reconsider this argument and I think it desirable that, when we come to deal with the problem of preference, our Commission should bear in mind the connection to which M. Colijn alluded.

In the first place, we shall have to take a decision of principle on the question whether we wish to examine constructively the proposal submitted by the South-East European States. May I suggest that M. Marinkovitch should bring forward a motion and thus give the Commission an opportunity of taking a decision?

The organisation of agricultural credits also was very prominent in the economic discussions at the last Assembly and in the November Conference. I agree that the Commission should include this problem in its programme of work, possibly after consulting the Financial Committee, and I learn with pleasure that we are going to hear what M. Suvich has to say on the matter. True, I do not consider that agricultural credits alone will provide a prompt and final solution for the difficulties of the agricultural countries. What the latter need is an opportunity to dispose of their harvests in the next few years. I should not, however, like to underestimate the importance of organising agricultural credits; on the contrary, Germany, too, is concerned in this question. Our farmers suffer from the fact that these credits are short-term credits and that the rate of interest is very high. They are particularly hard hit because German farming, being intensive, depends to a very considerable extent on the financial resources offered by foreign capital. They therefore depend far more than the farmers in other countries on the money market. Even at a time when agricultural prices were better than now, European farmers would have been unable to earn profits commensurate with the rate of interest now demanded in Europe for agricultural loans. They will be still less able to carry such rates in circumstances like the present, when prices are extremely low.

Our Commission, however, must not, in my view, deal solely with the problem of credits or that of the financial and gold market in its relation to agricultural credits. We must consider these problems in their general aspect. The economic troubles of the world are very largely due to the dis organisation of the money market, I mean the silver, gold and capital markets as well as to the fact that demand and supply, when the latter is abundant, do not adjust themselves nowadays as quickly or as certainly as before. The situation is however an abnormal one when, in some countries, capital can find no employment or can only find employment at quite inadequate remuneration, whereas in others economic activity is paralysed by the shortage of capital or excessive rates of interest. Here, too, I concur in what M. Titulesco has said. European co-operation makes it a duty for the
countries which have surplus capital to try and restore the balance between want and plenty in their own interest as much as in that of the countries which need capital. Among the problems dealt with by M. Colijn I should like to consider also the British and Dutch proposals submitted to the Conference in November. I think I may say that it was partly owing to the action taken by Germany at the Assembly and at the November Conference that these proposals were examined. Needless to say, Germany is ready to enter upon the proposed negotiations. Since that time an exchange of views has been begun between the British Government and other European Governments. I trust that these negotiations will be successful. Their success is both the essential condition for the putting into force of the Geneva Commercial Convention of March 1930 and the basis for a more durable development of the economic relations between European countries. The German Government had these considerations in mind when it placed the Geneva Convention before our legislative bodies.

I think I may say that our discussion here on M. Colijn's statement may be taken to show that we are firmly resolved to tackle these problems seriously. It is extremely useful to have had a clear statement of opposing ideas and antagonistic interests. If we are to strike the balance between the divergent economic interests in Europe, we must begin by knowing the interests of the different countries. Frank discussion is, therefore, a preliminary condition for success.

M. DE VASCONCELLOS (Portugal) [Translation]. — M. Colijn's masterly statement on the economic situation of Europe, gloomy as it was, concluded with an appeal for co-operation as the only means of averting the disasters ensuing from the most formidable economic crisis the world has ever known.

It is recognised that, on the one hand, and viewing the situation from a certain aspect, Europe is most deplorably divided between industrial unemployment in the West and agricultural depression in the East, and that the main features of the economic collapse and disorder in our continent are a shortage of the principal raw materials and a plethora of certain others. The situation is aggravated by the loss of some of the most important markets outside Europe and by excessive Customs protection. These have resulted in a prolonged economic war to the death, in which tariffs are used as weapons of offence and which has gone on developing along a front that has been extended by 20,000 kilometres solely in consequence of the new frontiers.

It is not, therefore, surprising that the premises of Malthus have undergone a radical change. Driven by new laws governing international economics, some 300,000,000 Europeans are asking only to be allowed to produce and to buy, once international trade has been facilitated and the congestion in metal stocks relieved by a sound organisation of production and credit, based on the reconciliation of the two opposing European zones in accordance with the sage advice of the International Chamber of Commerce. As against this, it is stated, on the basis of world statistics, that renewed industrial activity has been particularly conspicuous in Europe; that in no part of the world has the rhythm of economic progress been more regular; that Europe is not only America's biggest creditor and biggest debtor, but likewise her principal market, notwithstanding the steady growth of exports from North America to Latin America and that our age-old Continent is still, from the standpoint of quality, the most important human reservoir in the whole world.

What are we to infer from this incongruity which is perhaps more apparent than real? That there is urgent need of co-ordination between the countries which can no longer remain mere witnesses of the struggle.

The Economic Conferences convened by the League of which M. Colijn has given us so impressive a review, have striven to establish that co-ordination. Portugal has shared in all this work. She has accepted those conclusions which did not entail a complete revolution in her economic policy. She has adjusted her legislation to the provisions of the Conventions which, although calling for certain sacrifices, were calculated to be really helpful in improving the economic situation of the world. For example, after making important changes in our fiscal system, we have signed and ratified the Convention on the Abolition of Import and Export Prohibitions and Restrictions.

To our great regret we have unfortunately been unable to sign and accept the Preliminary Convention for Concerted Economic Action. Without going into details, I should like briefly to explain the reasons that have prevented us from doing so. The proposed Convention made an unduly technical division of the countries into two groups, according to whether their Customs policy was one of consolidation or not. Portugal, although a protectionist country, was thus arbitrarily classified in a group consisting of the free-trade countries and was consequently deprived of the power to reserve a certain freedom of action in Customs matters as regards certain articles which are vital to her economically. We also asked for authorisation to keep our legislative provisions which enable us to safeguard certain of our products against the practices of dumping and unfair competition.

We were therefore faced, on the one hand, with the necessity of accepting a situation at variance with our entire economic policy, while, on the other, we were prevented from protecting ourselves against certain methods of attack which imperilled our production; consequently, having failed in our efforts to obtain the necessary changes for safeguarding our vital interests we were compelled to abstain from signing the proposed Convention.
We have, however, signed the Protocol concerning the Programme of Subsequent Negotiations and, in our reply to the Economic Committee's questionnaire and in the declarations our delegates have made, we have explained what action should, in our view, be taken and how we can best co-operate. In the first place, it is necessary to study the best means of disposing of surplus stocks. A better knowledge of the surpluses held in the producing countries, and of qualities and prices; effective international recognition for appellations of origin and local marks; credit facilities commensurate with the security offered and the size of the transactions involved; a mutual recognition of the advantages which would be derived from always granting preference on the European markets to the producers with whom we are able to enter upon better terms: such are the means which, coupled with reasonable tariff reductions in the importing countries might facilitate the disposal of surplus stocks and gradually relieve the crisis.

Nor are we opposed to a study of the effects of the most-favoured-nation clause, which is embodied in almost all our commercial treaties, with the object of adjusting it to the existing economic circumstances and exigencies.

Portugal is not a small country as is often said by those who forget the overseas territories bequeathed by the heroic exploits of the past. Her economic position, however, is a difficult one. She has just passed through an extremely dangerous financial crisis from which she has only emerged thanks to the very heavy sacrifices imposed by wise, firm and intelligent leadership. She has succeeded with her own internal resources in stabilising her currency which had depreciated more than twenty times and in balancing her budget which had long shown a deficit. And yet, if, in our total budget, which is about £15,000,000, there were any wide fluctuations caused either by gold exports or in a decline in the principal heads of revenue, the balance so hardly won would probably be in danger of collapse. That might have happened, for instance, if we had signed and immediately applied the Preliminary Convention of March 24th, 1930.

Two of the chief commodities in our trade, which have been mentioned over and over again in this discussion—wheat and sugar—might have been so seriously affected by the fluctuations which have occurred that the consequences would certainly have been most serious for Portuguese farming and the sugar industry in our colonies. Increased production of wheat has enabled us this year to obviate an import of £1,500,000; and the defence of our sugar industry has saved us another half million pounds sterling. I fear that, in the framing of the Convention, the consequences which an additional burden of £2,000,000 may have on the exchange of a country with a budget amounting to £15,000,000 are not always realised. It is so small a matter—for the great.

We insisted on keeping the anti-dumping provisions in our tariff laws, though a year ago we were asked to delete them; have the events of this year not shown beyond all doubt the wisdom of our foresight? Have not certain countries been obliged to enact urgent provisions similar to those they had disallowed in our case?

All this goes to prove the complexity of the problem; it demonstrates the diversity of the situations of which account must be taken when countries are asked to make sacrifices in the common cause. Portugal is a European country; but she possesses territories in all parts of the world with a native population that is rapidly developing and is constantly making demands for education and civilisation which are rather a charge upon the mother country than a source of revenue.

The basis of our economic structure is a variety of products of European and colonial origin. This complex structure explains the divergencies which have sometimes prevented us from accepting some of the economic Conventions drawn up by the League. It should likewise enable the excellent economic authorities at the League to realise the necessity of adjusting their ideas to the facts of life in the different countries.

The general discussion on the economic situation was closed.

12. Agricultural Credits: Statement by M. Suvich (Chairman of the Financial Committee).

The CHAIRMAN [Translation].—I will now ask M. Suvich, Chairman of the Financial Committee, to give us an account of the Financial Committee's work on agricultural credits.

M. Suvich (Chairman of the Financial Committee) [Translation].—The problem of agricultural credits was submitted to the Financial Committee for examination by the terms of a resolution adopted by the Second Conference for Concerted Economic Action, where it had been proposed that the Central and Eastern European countries should be given such assistance as would enable them to improve the position of their farming industry.

This problem involves the solution of so many technical and legal questions that it was obviously not possible thoroughly to investigate it in the space of a few days. The Financial Committee also had before it the results of the enquiry made in the Eastern European countries following on the Warsaw Conference and, in particular, certain very important information covering the various technical aspects of the problem; this information has been compiled in the last few years by the International Institute of Agriculture at Rome, and M. de Michelis, President of the Institute, was good enough to explain to us its main lines.
As the Institute is continuing to explore the problem from the general point of view, the Financial Committee’s task is to consider, upon the basis either of the existing information or of any information which it may receive from the competent technical organs or which it may collect itself, whether practical results may be anticipated in the field of finance.

The Financial Committee fully realises the importance of the problem submitted to it, both from the standpoint of the agricultural populations themselves and from the economic point of view. Before setting to work, however, it is anxious to make one observation which, in its opinion, dominates the technical aspects of the matter.

The obstacles which at present prevent almost all movement of capital from one country to another are not of a kind that can be remedied by purely technical financial measures. There is no doubt that the considerations which at present keep capital out of the markets where there is most urgent need of it, are primarily political. Agricultural depression is, moreover, only one of the aspects of the general depression affecting the movement of capital, irrespective of the purpose for which it may be intended. The position therefore cannot be remedied by disregarding general measures for reconstruction.

Anxious therefore as the Financial Committee is that capital should flow again in certain international channels which present so many advantages from all points of view, we must acknowledge that the question is not purely one of finance. The Committee could only anticipate a successful issue to the efforts that are about to be made in the matter of agricultural credits provided that confidence is revived in international affairs; and that is the task of the politicians.

Subject to this preliminary observation, the Committee considered that it might be useful to study without delay the most practical method of finding, in the financial field, a solution for the agricultural needs of the Central and Eastern European countries. In this connection, we think it possible to lay down certain principles which would facilitate the success of the operation. These principles are connected more especially with the study of long-term credits which appear to be the most suitable means of obtaining foreign capital. The Financial Committee, therefore, hopes that the solution of this study should be the form and purpose of credits capable of being granted direct to individual farmers or co-operative associations and which might be used either for the redemption of burdensome debts or for improving the technical methods of production with the object of making them more remunerative to the producer.

The next matter to be considered would be the organisation to transact the business. The best system apparently would be to entrust the granting of loans to local institutes which transact business on the spot and so are in a position to have direct knowledge of the circumstances of each borrower. In each country there should possibly be an organisation which would combine local institutes in a central national institute, whose function it would be to initiate and be responsible for the agricultural credit policy of the whole country. These central institutes in turn might be in touch with an international institute which would thus be the corner stone of the whole structure.

A further question to be examined is the duration of such loans; the expression long-term is somewhat loose.

Lastly, there is the question of security and this is the most important of all. The first security should be the mortgage; but we might likewise consider the possibility of a guarantee by a national institute, by the Government concerned and by the international institute.

The mention of a few of the points which will have to be studied suffices to show that there are numerous other difficulties of all kinds. Who will issue the bonds and so assume liability for the debt towards the bondholders? Will the international institute do this, and, if so, on what security will it base against the possibility of a State becoming insolvent? Will it be possible to have the joint guarantee of all the States? If the national institutes assume the liability, will not the result be that we shall have so great a variety of scrips as to be detrimental to the loan operations as a whole?

Who will constitute the capital, seeing that the remuneration will obviously be very low? In order to promote credit, will it be possible to unify the law of the different countries, at any rate in respect of security and methods of execution? In what currency are the bonds to be denominated and will it be possible for the mortgages to be drawn in the same currency? What is to be done to ensure that the term of the bonds issued on the market coincides with that of loans granted to the borrowers who may have different terms?

To solve these difficulties and any others that are certain to arise during its investigations, the Financial Committee will have to call in agricultural credit experts. There will be further difficulties to surmount, supposing the Committee desires to consider as well types of credit other than long-term credit; for the possibility of an international solution for this kind of credit as well cannot be ruled out at the beginning.

For these reasons, the Financial Committee thinks it advisable to set up a special delegation consisting of representatives of the Financial Committee itself, of the Economic Committee and of the International Institute of Agriculture, together with experts in agricultural questions. The delegation would be asked to propose a practical solution for the special case submitted to the Financial Committee. We may hope that it would be able to make concrete proposals at the Council’s next session in May.

The Financial Committee was anxious to draw the Commission’s attention to the complexity of the problem and its difficulties, in order to give you as exact an impression as possible of its nature; we nevertheless hope that if all will put a shoulder to the wheel a solution can be found.
in a few month's time at the important Conference in Rome which all the most competent M. Suvich for his very valuable statement. He has given us a very clear summary of all take the opportunity to dispel misunderstanding due to the form in which this passage in the action by all the European countries. As I am dealing with a concrete case, perhaps I may I described in the memorandum that was sent to you as demanding collective political patient. I hope that you will be good doctors and that you will give the patient something deep suffering and distress. You have been summoned like doctors to the bedside of a patient. I hope that you will be good doctors and that you will give the patient something besides words of vague comfort; I hope you will provide, as far as may be, an effective cure 2.

We are faced with this very serious situation. We have to show what we can do, to give a first idea of what union can effect. We are confronted with one of those problems I described in the memorandum that was sent to you as demanding collective political action by all the European countries. As I am dealing with a concrete case, perhaps I may take the opportunity to dispel misunderstanding due to the form in which this passage in the memorandum I sent you was drafted.

When I said that the political question was preponderant, many people thought that I was disregarding the economic problems, that I regarded them as secondary and that I put politics before economics. I merely meant that, notwithstanding the great ability, competence and distinction of the experts to whom we from time to time apply for enlightenment on certain serious problems, and notwithstanding the very sincere admiration we feel for them, their recommendations have not always been followed by action. M. Colijn, bitter and gloomy as was his statement, did not withhold all encouragement; he showed us that he, like many other competent men, has met with disappointment; he concluded, as I did, that there comes a time when Governments must help, and help conjointly, in carrying out the counsels of the experts.

What is needed is political action. Although M. Colijn did not actually appeal to the goodwill of the Ministers for Foreign Affairs to deal with the troubles of the Ministers for Commerce, he was within an ace of doing so. He did not ask them to dispute but to collaborate; he said that if no effort were made from the political side, antagonism and particularism, honourable though they may be in matters of such gravity, would prevail.

It is therefore essential for us, as an assembly of statesmen, to go to work with the determination to succeed. The most important question before us in connection with a regional union such as ours is that of co-operation. In that we are in accordance with the spirit of the League whose activities have always been imbued by the desire for collaboration and mutual support.

We are ready to relieve certain sufferings that have been brought to our notice. We have no right to turn aside from them. In an emergency like this we must find an urgent cure. How are we to do so? Now that we have talked matters over and we see what needs to be done, we should, I think, immediately appoint a committee, consisting, say, of nine members, to consider the draft resolutions that have been prepared as the discussion advanced and that have been announced to the Chair. The committee would be guided by our discussions and would draw up a resolution which might be submitted to us very soon. It must be clear that in adopting that resolution we shall not be performing a mere platonic act of courtesy, but that we shall endorse it with the resolve to make it live — that is to say, to ensure results.

With regard to agricultural credits, M. Suvich has shown us the complexity of the problem and all the practical difficulties which are likely to be encountered. His observations were advanced in an eminently rational spirit. This matter, we see, has been studied by the League Financial Committee, and we know that the Committee explores problems in all their aspects. It does not disregard difficulties but neither does it court them. It would be right to say that when it takes up a subject it has the habit of succeeding. We have never had to record a single failure on its part. The information that has been given has been put forward with a full knowledge of the facts.

I noticed in M. Suvich's statement nothing that would paralyse our action or definitely debar us from taking action. We see that the problem is complex. We shall take it up with the determination to find a solution. I am sure that, after further discussion, the Commission will be able to take a decision.

M. MARINKOVITCH (Yugoslavia) [Translation]. — I agree to the proposal to refer the whole question to a committee which will be requested to draft resolutions. I should like to submit the following proposal to that committee:

The CHAIRMAN [Translation]. — On behalf of the Commission, I sincerely thank M. Suvich for his very valuable statement. He has given us a very clear summary of all the aspects of the problem with which we are dealing, and if, as I imagine, some of us have observations to make concerning the question of agricultural credits, M. Suvich has promised to place himself at our disposal and to give any additional explanations for which he may be asked.

This Commission has to consider the economic question in its general aspects, but with more particular references to its reactions on the problems of Europe. We are confronted here with two problems: there is first a general one, that of the agricultural questions, for which a solution will have to be found for the future; this solution will probably be found in a few month's time at the important Conference in Rome which all the most competent agriculturists have been invited to attend. The second matter is of the utmost urgency, I mean the question to which M. Marinkovitch drew our attention in his pungent and graphic but, at the same time, very eloquent speech. M. Marinkovitch poured forth the vials of his scorn on the use of oratory at a meeting like ours; and he was right. Oratory is not, however suggestive, are not enough. He said to us: "In actual fact, you are faced with words, however eloquent and however negligible, because it gave us his speech and others of great interest as well. But nevertheless he has made us realise that there are times when words, however eloquent and however suggestive, are not enough. He said to us: "In actual fact, you are faced with
“The Commission of Enquiry for European Union, noting the necessity of
organising in a rational manner the economic relations between European countries,
decides to set up a Committee, to be constituted ad hoc to study this question and the
proposals made by the South-Eastern European countries at the Economic Conference
in November, proposals concerning preferential tariffs.”

I have not mentioned bilateral treaties because according to what M. Colijn and
others have said, the most-favoured-nation clause is not regarded as a dogma. Consequently,
if we succeed in concluding our bilateral treaties, no country in Europe will, I think, be
entitled to complain on grounds of principle. A country might complain if its interests
were injured but it could not do so merely on the ground that the treaty was at variance
with the most-favoured-nation clause.

Dr. Curtius (Germany) [Translation]. — I imagine that the committee proposed by
the Chairman will consider a number of economic questions which in my view are ripe for
discussion here. If that is so, it will deal not only with the proposals which the Chairman
and M. Marinkovitch have mentioned, but also with other economic questions which
have to be solved.

These other questions should, I think, be studied by the committee with the object
of determining the most suitable methods for their investigation by the Commission of
Enquiry for European Union.

I should like to take this opportunity to make an observation concerning the
participation of the Free City of Danzig. Some speakers consider that there are certain
difficulties in this connection. I should like to propose that before our May session an
invitation should be sent to the Free City to take part in our work. As I have said, I
will get into touch with the Polish delegate on this point.

Mr. Henderson (British Empire). — I agree to the proposal to appoint this committee.
I only wish to say that I hope it is understood that in allowing M. Marinkovitch’s
declaration with regard to the most-favoured-nation clause to pass we do not hereby
accept his declaration.

The Chairman [Translation]. — I should like to reply briefly to the question put
by Dr. Curtius. The committee I propose would be a drafting Committee to which all the
draft resolutions handed in to the Bureau would be sent in accordance with the normal
procedure and which would report to this Commission. We cannot discuss here all the
draft resolutions that have been submitted, for if we did so we should never finish our
agenda.

The Commission of course can always enlarge the committee’s jurisdiction and refer
other broader questions to it, but for the moment I think it should be merely a drafting
committee.

The question of Danzig has been raised. M. Zaleski spoke to me on the subject and
Dr. Curtius has placed it before the Commission. This is a special problem which needs
close examination. It has arisen in connection with another organisation and I believe
that the Permanent Court of International Justice has even been asked to give a legal
interpretation. I am not quite sure of the facts and I will not therefore hazard an opinion.
It is, however, a particular point with which the Commission itself might deal without it
being necessary for the moment to enlarge the jurisdiction of the drafting committee
which has quite enough work to do. If necessary, we might broaden the committee’s
terms of reference when it has presented its report.

Dr. Curtius (Germany) [Translation]. — I am entirely satisfied, provided that,
in addition to the question put forward by M. Marinkovitch and the other matters raised
in the various motions before us, the Commission considers that the other economic
questions that have been put forward here are to be discussed at the May session. I hope
that by that time the question of Danzig will have been sufficiently advanced to enable
us to invite the Free City to take part in our work. The question is not a legal one, but
rather a political one.

M. Zaleski (Poland) [Translation]. — In my capacity as representative for Danzig
in foreign affairs I placed before you the question of an invitation to the Free City. I
do not, however, see how that has a political aspect. From the political standpoint, I am
in no way opposed to inviting the Free City. On the contrary I myself suggested it. The
only point I should like to clear up is the legal aspect of the matter.

Dr. Curtius (Germany) [Translation]. — When I drew a distinction between legal
and political considerations, I did so because the Chairman himself referred to a decision
by the Permanent Court at The Hague. In my opinion, that decision covers a special
case—namely, the Free City's participation in the work of the International Labour Organisation. I note with satisfaction that the Polish representative has himself placed before the Bureau the question of the participation of Danzig in our work.

The CHAIRMAN [Translation].—Then we are all agreed that, whether from the political, economic or legal aspect, the case of the Free City of Danzig will be examined by this Commission. It has come before the League often enough for us to be familiar with it and we shall not shirk considering it once again. If after the Drafting Committee has submitted its report, someone submits a proposal to invite the Free City we will discuss the question and it will be easy to agree.

13. Appointment of a Drafting Committee.

The Commission decided to appoint a drafting committee to be composed as follows:

- M. HYMANS (Belgium),
- M. BOUROFF (Bulgaria),
- M. BRIAND (France),
- Dr. CURTIUS (Germany),
- Mr. HENDERSON (British Empire),
- M. GRANDI (Italy),
- M. MOWINCKEL (Norway),
- M. ZALESKI (Poland),
- I. TITULESCO (Roumania).

It was understood that any member who was unable to attend, would be entitled to send a substitute.

SEVENTH MEETING (PUBLIC).

Held on Wednesday, January 21st, 1931, at 6 p.m.

Chairman: M. BRIAND (France).


Dr. MUNCH (Denmark) [Translation].—The Danish Government's object in submitting its proposals (Annex 5), in response to the Secretary-General's note, was to provide a basis for the discussion on the Commission's methods of work. My Government thought that, after a general discussion, the Commission should divide into a certain number of sub-committees, each of which would study a group of subjects. In our view, this is the only way of making a really thorough investigation and working out properly considered conclusions.

We suggested three sub-committees. The task of the first is already indicated in the Assembly's resolution of September last, by which we are instructed to submit at the next Assembly resolutions as to the future organisation of European co-operation. We shall have to consider whether co-operation should be merely left to develop in the form its has already assumed in consequence of the appointment of this Commission, or whether we should seek other forms for the work to be done in future. If the proposals of the Danish Government were studied by a sub-committee they would certainly gain in precision and force.

Secondly, we suggested a sub-committee for economic questions. Events have shown the need for a sub-committee of that kind. We set up one such Sub-Committee yesterday, and I imagine that it will have not only to prepare the resolutions which we shall probably adopt at this meeting, but likewise to continue the study of the political means to be employed for the improvement of the present economic situation.

There is a third group of subjects which we have defined by the expression "questions of a general political character". We used the word "political" in a very broad sense to cover all subjects which are not of a constitutional or economic character. I have in mind, for instance, the desirability of making further efforts to promote moral disarmament and to overcome the spirit of distrust between the various peoples. I may cite, by way of illustration, a scheme which has been mentioned to me as being one of the subjects which we should discuss in our Commission, it is likewise closely related to earlier resolutions of the Assembly. It has been suggested to me that permanent contact should be established between the Press bureaux of the various Foreign Offices, so as to exercise a useful influence on the Press and on public opinion in all European countries. That is one of the many questions that might be discussed in a sub-committee of this kind.
My Government thought it would be wise to make use in these sub-committees of every element of strength at our disposal in the Commission of Enquiry, and so to allocate all the States Members among the sub-committees. We have suggested that it might possibly be decided that the four great Powers should be represented on all the sub-committees. In any case, this possibility should not be ruled out. They have been elected members of the three preparatory and temporary committees which we have set up during this session; they are regularly nominated to all commissions of any importance. It is, in my opinion, quite natural and highly desirable that they should sit on all these sub-committees.

The sub-committees, of course, should not be composed of experts; we have quite enough of such sub-committees already. We want political sub-committees possessing sufficient authority to create the political conditions which will enable us to carry out the programme prepared by the experts in the various fields of work.

But how will these sub-committees work? Foreign Ministers cannot spend all their time at Geneva. I thought that, with the Secretariat’s help, the various questions might be discussed by correspondence in the intervals between sessions. The first days of each session might be set aside for the work of these sub-committees. The various subjects examined might then be brought before the plenary Commission after having been thoroughly studied in advance.

At this late stage in our session we cannot, I think, study this question of method closely, but it would, to my mind, be useful to appoint now a special sub-committee to investigate this somewhat important problem before our next session.

M. Procopé (Finland) [Translation]. — I support Dr. Munch’s proposal. The sub-committee to be appointed to arrange our programme of work might also consider the Commission’s rules of procedure.

The Chairman [Translation]. — Dr. Munch’s proposal relates to the organisation of our Commission, and that is the first subject in the terms of reference given us by the Assembly. It also covers the methods of work to be followed. These are questions which we ought to have examined at the outset; but, owing to the very short time at our disposal, we decided to consider immediately the economic problem and its reactions on the European situation.

We have therefore had to defer until the end of the session Dr. Munch’s proposal concerning our Commission’s constitution, organisation and methods of work. The sub-committee he proposes to set up should be large enough to be sub-divided, if need be, into smaller bodies to study all the various questions we shall submit, and it will submit to us one or more reports on those questions at our next session. We shall then be fully conversant with its facts and so able to study our methods of work and our organisation. I think that these explanations will satisfy M. Procopé.

We might refer to the sub-committee the various questions that have been submitted to us from different quarters dealing with important problems, such as postal matters, passports, currency. Those are problems which merit investigation, and the sub-committee might submit reports on them to us if it finds it possible to do so.

The Commission decided to set up a Sub-Committee consisting of the representatives of the following countries: Denmark, Finland, France, Germany, British Empire, Greece, Italy, Poland, Portugal, Spain, Switzerland and Yugoslavia.

M. Van Langenhove (Belgium) [Translation]. — The Belgian Government has submitted various proposals for the Commission’s agenda (Annex 4). These proposals referred to the exchange of electric power; the treatment of foreigners; the extension to new questions of the principle on which the 1930 Commercial Convention is based. As the time at our disposal has made it impossible for us to discuss these proposals, I should be glad to know whether the Commission proposes to refer them to the Sub-Committee which we have just appointed.

The Chairman [Translation]. — The Belgian Government’s proposals will certainly be referred to the Sub-Committee for examination.

15. Examination of the Draft Resolutions submitted by the Drafting Committee.

The Chairman read the following draft resolutions, which had been adopted unanimously by the Drafting Committee:

“I.

The Commission of Enquiry for European Union,
Recognising the exceptional gravity of the crisis through which the agricultural countries of Central and Eastern Europe are passing, and the necessity of remediying
this situation in Europe, without awaiting those more far-reaching solutions which it trusts will be devised and for which the Wheat Conference, to meet in Rome on March 26th, 1931, is to prepare:

"Is of opinion that this situation could be greatly improved if the authorised representatives of the European countries affected (grain-exporting countries of Central and Eastern Europe and European importing countries) were to meet at an early date and make a common effort to find means of disposing of the grain surplus at present available. The meeting would be called on the full initiative of the President of the Commission of Enquiry for European Union, and its conclusions would be put into effect without further reference to the Commission of Enquiry.

"II.

"The Commission of Enquiry is of opinion that there will still remain an important question for solution. The measures taken for the disposal of the 1930 harvest and those contemplated below for the establishment of agricultural credit leave the problem of the export of future harvest surpluses unaffected.

"(a) The Wheat Conference, which is to meet at Rome in March 1931, will no doubt make suggestions of the utmost importance in regard to the world situation.

"The Commission of Enquiry trusts that the overseas countries affected will consent to take part in this Conference, so that the problem may be examined in all its aspects.

"(b) As regards Europe, it is necessary to set up a committee to study all measures capable of leading to the desired result, including the tariff arrangements demanded by certain countries at the Conference for Concerted Economic Action in November 1930. This Committee will be composed of ten members — namely, the representatives of Austria, Belgium, Czechoslovakia, Estonia, France, Germany, Great Britain, Italy, Switzerland and Yugoslavia. The Secretary-General of the League of Nations will be asked for the assistance of the technical committees, and the International Institute of Agriculture will also be asked to help. The Committee will be summoned very shortly at the instance of the President of the Commission of Enquiry for European Union. It will work as rapidly as possible, and its conclusions will be submitted to the Commission of Enquiry for European Union.

III.

"With regard to agricultural credit, the Commission of Enquiry for European Union finds that the investigation of this question has been carried far enough for a detailed scheme to be drawn up.

"The Financial Committee has made a very interesting report to the Commission of Enquiry, and the latter notes that the Financial Committee is to continue its investigation.

"It considers it highly desirable that a complete scheme of executory measures should be submitted to the Council of the League of Nations in May next in such detail that, if approved by the Council, it can be put into effect forthwith.

"The Commission of Enquiry accordingly decides to appoint a Committee of ten members — namely, the representatives of Bulgaria, Denmark, France, Germany, Great Britain, Hungary, Italy, the Netherlands, Poland and Roumania — which will, if necessary, hear the views of the representatives of the other countries concerned.

"This Committee will watch the work of the Financial Committee and keep in touch with the matter in order that a detailed programme, both financial and legal, may be submitted to the Council of the League of Nations at its session in May next, so that it may deliberate with full knowledge of the facts and prescribe prompt executory measures should it so decide.

"IV.

"The Commission of Enquiry for European Union, being strongly of opinion that the result of the putting into force of the Convention of March 24th, 1930, would be to create such an atmosphere of stability and confidence as would enable the execution of the programme of future negotiations also drawn up on March 24th, 1930, to be usefully prosecuted and extended;

"Counts upon its members to do all in their power to ensure that the said Commercial Convention is speedily put into force;

"And trusts that the bilateral negotiations opened in consequence of the Conference with a View to Concerted Economic Action of November 1930 may be actively pursued.

"V.

"The Commission of Enquiry for European Union, being apprehensive in regard to the unemployment position in Europe and the very grave consequences it is producing:
requests the Secretariat of the League of Nations to acquaint it at the May session with the first results of the work undertaken by the Economic and Financial Organisation under Resolution 16 of the eleventh Assembly.

It was understood that the International Labour Office would be asked to co-operate in the unemployment question and in so far as the draft covered the Assembly’s Resolution 16 mentioned above.

Mr. Henderson (British Empire). — I was glad to hear our Chairman say that the question of unemployment will be considered in collaboration with the International Labour Office.

I should like to go, if possible, a little further and give authority to call in any other financial or economic experts who might be of assistance in this question. This is one of the biggest questions with which we are confronted in Europe to-day, and I was somewhat surprised to hear Dr. Munch say that we have too many experts. I do not agree that we have too many experts or too many committees of experts. I should like to see this question studied by someone almost daily on behalf of this Commission and on behalf of the League. The draft resolution instructs the Secretariat to “acquaint” this Commission at its May session with the first results of the work done in connection with unemployment. In my view, we ought to be acquainted with those results long before our May session. I should like to ask our Chairman to give permission for this information to be sent to the Governments almost continuously. If we are to come to grips with this question and to take practical decisions in May, we shall need information long beforehand, so that we can consult our Governments and receive instructions before the May session.

I wish to register a complaint that we have not had that assistance in preparation for this meeting. Such assistance would have enabled us to take even more important decisions than those we have reached, and I hope, therefore, that, if it is not possible to change the wording of the text before us, it may be possible to put a very generous interpretation on the last few lines of the resolution and to say: “call in experts, financial or economic”.

Dr. Munch (Denmark) [Translation]. — I did not mean to say that we had too many experts; I merely pointed out that there were some very competent committees of experts at the League and that what we wanted primarily at the present juncture was committees of a political character, endowed with sufficient authority to take action on the recommendations made by the experts.

M. Marinkovitch (Yugoslavia) [Translation]. — I agree. We must have effective co-operation between the politicians and the experts; that has been somewhat lacking hitherto.

M. Motta (Switzerland) [Translation]. — On reading the draft before us, I noticed that the two committees, proposed under Resolutions II and III, consisted, according to the Drafting Committee’s proposal, of ten members each. I would suggest that more States should have a seat on these Committees and that Norway should be added to the Committee to examine the wheat question and Sweden to that which will examine the question of agricultural credits.

The proposal of the Swiss delegate was adopted.

The Chairman [Translation]. — In reply to the question put by Mr. Henderson and Dr. Munch, let me say that I entirely agree with them. The question of the experts does not arise; it is already settled. The two Committees will ask for the assistance of experts, and they will find in the League certain bodies which are perfectly equipped in this respect; it will therefore be possible to keep us regularly informed of the progress of the work. It is, of course, understood that, although we have suggested May as the date by which the reports should reach our Commission, the members of the Commission will not be prevented from receiving information as and when possible, either as regards results or expectations. You will, however, agree, that we must have for our next session a general report on the situation.

In order to conform to the correct procedure, I may add that, when the draft resolutions have been adopted, I shall make a communication to the Council on the subject with a request that it take note of the resolutions and authorise the technical organisations in the Secretariat to take the necessary action.

M. de Vasconcellos (Portugal) [Translation]. — If the draft resolutions are voted as a whole, I must say on behalf of my Government that I shall approve them, but subject to the statements which I made yesterday in connection with Resolution IV concerning the Commercial Convention.
16. Close of the Session: Draft Resolution submitted by the Representatives of France, Germany, Great Britain and Italy.

The CHAIRMAN [Translation]. — We have now come to the end of our work. I do not want to be carried away by a Chairman's natural inclination to exaggerate, and I shall be careful not to claim any undue credit for what we have done. Nevertheless, I can say that, at our second session, we have done work that is useful and, I hope, effective. It is not so complete as it might have been, had we had more time at our disposal, and, in particular, had we had greater "muscular strength" — that is to say, had we possessed a stronger and older organisation. However, our Commission is only at the beginning of its career, and I shall not be corrected for saying that it has only made its first entry into life. We have therefore, to my mind, no need to be dissatisfied with our efforts, and I hope that, at our May session, when we shall be able to gauge the results obtained in the interval, we shall have reason for satisfaction.

I should not like us to separate without making what I may call a demonstration of confidence before public opinion in our different countries. The President of the Council made an eloquent appeal, which I personally thought very opportune, with the object of dispelling the pessimism felt by some people as a result of certain campaigns which were calculated to disturb and paralyse public opinion.

The economic situation at the moment is such as to deserve our particular and entirely legitimate attention. At times of emergency like these there are sufficient causes for anxiety to make it superfluous to exaggerate them still further by a pessimistic campaign that has no foundation in fact. It therefore gave me great satisfaction to listen to the remarks of the President of the Council, and in my humble capacity I ventured to associate myself with them.

The mere fact that twenty-seven countries are represented here by statesmen who are entitled to regard themselves as having full powers must, I think, have created an impression in our countries that, after all, there is no likelihood of a rupture of the contact that has been established between the responsible men who, when they come to the League, consider it their highest honour to strive for the prevention of war and the maintenance of peace. The mere fact that our discussions have been so courteous, I would even say so friendly, must have had a moral effect. That, however, is not enough, and we should not separate without making some demonstration.

A proposal to this effect will be submitted to you in a draft resolution which has been drawn up jointly by Germany, Great Britain, France and Italy, and, with your permission, we will ask you to associate yourselves with us in this small manifesto as a conclusion to our session and as setting the final seal on our work. The text of the draft resolution is as follows:

"As the result of our discussions and conversations during the last few days concerning the problems which our Governments have respectively to face, it has become plain that economic recovery is now being hindered by lack of confidence in the course of future events due to widespread political anxiety. That anxiety has been increased by irresponsible talk in various quarters concerning the possibility of international war."

"We recognise that there are political difficulties in Europe at the present time, and that these difficulties have been accentuated by the economic instability and unrest which the world economic depression has caused. The best service we can render towards the improvement of the economic position is the firm assurance of European peace. We therefore declare, as Foreign Ministers or responsible representatives of European States, that we are more than ever determined to use the machinery of the League to prevent any resort to violence."

Such is the manifesto in which we ask you to take part, and I hope you will do so unanimously.

The draft resolution was adopted unanimously.

M. MOTTA (Switzerland) [Translation]. — I have no right to intervene in this discussion at the eleventh hour except, perhaps, as representative of the country where the League — that is to say, the greatest institution ever created for international peace — has its seat. I am sure, however, that I shall be expressing the opinion of all my colleagues, and if they will allow me to say so, my friends, in thanking very warmly our Chairman, who has put all the greatness of his heart and the depth of his intellect into the conduct of our debates, which have been of a most intricate and difficult character.

The declaration made by the Foreign Ministers of the great European Powers is of exceptional force. It has a significance that cannot be overestimated.

In thanking M. Briand for the way in which he has presided over our Commission, I wish to thank likewise the Foreign Ministers of the great Powers for enabling us, their other colleagues, to associate ourselves with their views. If our Commission had produced nothing else, this meeting would have been fully justified.
Mr. Henderson (British Empire). — I wish to associate myself wholeheartedly with the remarks made by M. Motta.

We are greatly indebted to our Chairman for the way in which he has conducted our business, and especially for the final success he has secured in the unanimous adoption of the resolution which he has just read to us. This has been a very successful session, and I sincerely trust that our future work will be equally successful. I am quite certain, Mr. Chairman, that, by your excellent guidance, success must always be achieved in so far as success is possible. Therefore, as a member of this Committee and as President of the Council, knowing the valuable work we have still to do, I want to join in the thanks that have been expressed by M. Motta.

The Chairman [Translation]. — I am deeply touched and greatly embarrassed. I thank most sincerely my colleagues and friends, M. Motta and Mr. Henderson, for their very flattering references to me. My colleagues have made my task much easier by smoothing away everything that might have caused difficulty and leaving me with only the pleasant duties to perform. The Chair has had the constant help of your goodwill. If at this session there has been some fumbling in regard to procedure, we must ascribe it to the fact that the Commission was young and that the Chairman was serving an apprenticeship which, though not difficult, was not without its hazards.

I hope that at our next session, when our organisation has been completed and properly equipped, we shall, in the fullness of our authority, achieve good work under the auspices of the League.

At the end of this session there is one act to be accomplished which you will all understand. I turn to the members of the League Secretariat, of whose assistance the Assembly, guided by a happy inspiration, authorised us to make use. I thank them for their help. They have facilitated our work, and I trust that you will associate yourselves with my expression of gratitude to them.

I declare closed the second session of the Commission of Enquiry for European Union.
INTRODUCTION.

At the meeting of the Commission of Enquiry for European Union, held on September 23rd, 1930, the Chairman suggested that it might be useful for the Secretary-General to collect information which might prove of value to the members of the Commission.

It has seemed to the Secretary-General that it might be of use to place before the Commission an account of certain technical questions which have been dealt with by the League in the past and which are at present under consideration, questions which have, directly or indirectly, a bearing on the present economic crisis on which the Secretary-General has been asked to report.

As regards the past, questions have been selected in the solution of which special interest has been shown by European States. As a criterion of special interest may be taken the fact that a Convention has been ratified, or carried into effect principally or solely by European States, or the fact that a conference has been summoned by the Council on a purely European basis, or, alternatively, that, in fact, European States have solely or principally elected to attend a conference open to all.

As regards work actually in hand, the questions described have been chosen from amongst those already entrusted to the technical organisations and which appear at this moment to have a special value for European States or to need for their solution special action by European States.

In view of these considerations, the following Sections of the Secretariat have prepared descriptions of their work on the bases indicated: the Economic and Financial, Transit and Health Sections. Should it be desired, memoranda on humanitarian questions and questions connected with intellectual co-operation could subsequently be prepared.

The Secretary-General has therefore the honour to submit these memoranda and to summarise in this introduction some of the more important points which emerge from these studies.

* * *

The Economic and Financial Section in its report draws attention to the following points:

1. For the progressive execution of the programme of concerted economic action, great importance attaches to the putting into force of the Commercial Convention, a decision as to which is to be taken at a conference proposed for the second half of March 1931 (III, 2 (a)).

2. Equal importance attaches to the results of the negotiations which are to be begun, as a sequel to the second Conference which took place in November last, between Great Britain on the one hand and those Continental countries which are the principal importers of British goods on the other (III, 2 (b)).

3. It is desirable to resume consideration of the Convention for the Abolition of Prohibitions with a view to an effort to find a solution for the special obstacles which prevented the Convention — after it had received the ratifications of eighteen European States and of Japan and the United States of America — from coming into force under conditions enabling it to have its full effect in Europe (III, 2 (c)).

4. In view of the serious situation of agriculturists, particularly in the countries of central and eastern Europe, owing to the absence or defective organisation or excessive cost of agricultural credit, the last Conference with a View to Concerted Economic Action explicitly requested the Council to treat this question as urgent, particularly in the case of the countries mentioned above where these difficulties are
exceptionally grave. Certain European countries have already arrived at agreements on various aspects of the agricultural problem (I, (c) and III, 2 (d)).

5. The Fiscal Committee, being a permanent organ of the League and including in its composition the most qualified experts, is able, thanks to its studies of model conventions for the avoidance of double taxation and tax evasion, to offer valuable assistance to all countries desirous of concluding conventions of this kind with one another, whether bilateral or plurilateral (I, (a)).

6. The Financial Committee, a body which has given numerous proofs of its competence, is at the disposal of the Council (as expressly stated in its last report) for the purpose of consultation and advice to any country or group of countries desiring such on all questions within its competence (I, (b)).

7. The statistical and economic intelligence service is organised so as to supply accurate details, not only in regard to the position and relations of the various countries whether Members of the League or not, but also in regard to the relations of the various continents considered as such and in particular the relations between Europe and the rest of the world (II).

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Among the questions under consideration by the Communications and Transit Section may be cited the International Status of Broadcasting (II, A), the European Conference on Road Traffic (I, H), Air Transport Co-operation (I, F), and the Unification of European River Law, the first European Conference on which has just come to an end (I, G).

Further, the Transit Organisation has under consideration — again in conjunction with the Conference with a View to Concerted Economic Action — the questions of the transport of agricultural products, the rationalisation of transport, and the adjustment of railway tariffs from the standpoint of indirect protection (II, B).

Among the subjects dealt with in the past may be mentioned the studies of the position of inland navigation in Europe, particularly on the Rhine and Danube (I, A), and the questions of competition between waterways and railways (I, A), the international passport regime, etc. (I, C), the unification of tonnage measurement in inland navigation in Europe (I, B) and the European Conference on Cards for Emigrants in Transit (I, D).

The Statute of the Communications and Transit Organisation allows the Council of the League to summon limited conferences, to which only States specially interested in particular questions are invited. The Secretary-General of the League despatches a notification of the summoning of limited conferences to all members of the Transit Organisation in good time before the opening of such conferences.

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A substantial part of the constructive work of the Health Organisation has been done in Europe, partly because modern principles of hygiene and preventative medicine are well known there and partly because the great war had a detrimental influence on health conditions in Europe, that called for immediate remedial measures. The experience gained in dealing with this situation has since been available and of use for countries outside Europe.

In 1922, for instance, a conference of representatives of European Powers, organised by the League, met at Warsaw to devise means of checking the epidemics then rife in Eastern Europe as the result of famine, movements of populations and post war repatriation. It was considered that no scheme of economic reconstruction of Europe was possible until effective measures had been taken against epidemics (A, I and II).

Information concerning epidemics is distributed regularly from Geneva and Singapore. This proved of value to the national health administrations in Europe in checking influenza in 1926, 1927 and 1929.

The Council has recently decided to convene, in April 1931, a European Conference on rural hygiene considered as one of the most important factors in raising the standard of living in rural areas. Much preparatory work has been and is being done in view of this conference. Invitations have been issued to the Governments of non-European States which have a special interest in rural problems to send observers to the Conference (C).

Comparative studies of various diseases of world importance have been made in Europe owing to the greater facilities for research; cancer, malaria, infant mortality are examples. Health insurance, which was first applied in Europe, is another subject of which a study has been made by the Health Organisation.

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1 As regards points (1) to (4), M. Colijn, President of the Conference with a View to Concerted Economic Action, will be present in Geneva during the meeting of the Commission of Enquiry for European Union in order to supply information on the main questions left unsettled by that Conference.
I. REPORT ON THE WORK OF THE ECONOMIC AND FINANCIAL ORGANISATIONS.

The following notes indicate "among the work already entrusted to the Economic and Financial Section those questions which appear at this moment to have a special value for European States or to need for their solution special action by them ".

1. FINANCIAL WORK.

The bulk of the financial work of the Section has consisted either of the study of general questions such as the problem of the fluctuations in the purchasing power of gold, or of specific reconstruction work in individual countries.

The following, however, appear to present some special interest from the point of view of Europe:

(a) Double Taxation.

While double taxation has been studied as a general world problem and the United States of America, for example, has taken special interest in it, the fact that the discussions have resulted in drawing up model bilateral conventions intended to facilitate agreements between pairs of countries involves incidentally that pairs or successive groups of countries in Europe have at their disposal a mechanism which they can utilise as fully as they desire for the removal of one important impediment to the flow of capital from one country to another. This work is under the control of a permanent Fiscal Committee, which consists of the budget experts of the different countries, and offers a convenient means of consultation between the officials of the different taxation departments, and, if desirable, joint work upon any subject within the sphere of fiscal policy and practice.

(b) Advice without League Loans.

Hitherto the Financial Committee, in giving advice to a particular country on its financial problems, has usually made a scheme involving the issue of a loan under League auspices and has felt responsible not only for the advice given but for the due execution of the scheme, this involving varying degrees of external control over the policy of the country in question.

The Council has, however, recently approved a proposal of the Committee that it should hold itself ready at all times to give advice on any suitable question within the sphere of financial problems without assuming any further responsibility and therefore without subjecting the country in question to any risk of any form of external control. This decision of the Council of September last appears likely to open a wide field of useful collaboration of the League's organs with European countries, although, of course, such advice and assistance is equally open to any Member State, whether in or outside Europe.

(c) Agricultural Credits.

The problem of agricultural credits, while it may at any time be of interest to any agricultural State as borrower and other countries as lenders, is obviously at the present moment of very special interest to certain countries in the centre and east of Europe.

The Council has approved a proposal of the Financial Committee to consider at its meeting in January 1931 whether it can make any useful contribution to this problem. What is contemplated is that, by advice as to the best form of national legislation or mortgage security, etc., from the point of view of attracting external capital, the Financial Committee might help to remove some of the present obstacles which render borrowing by agricultural countries more difficult. Help of this kind, and not the issue of loans under League auspices, which, in view of the purposes of the loan and the varying credit of different countries, would present very great difficulties, is what may be expected as a possible result.

2. ECONOMIC AND FINANCIAL INTELLIGENCE WORK.

The economic and financial intelligence work of the Section is, of course, of a general world character, but it is being developed in such a way as to be a useful auxiliary to the study of problems from the point of view of any particular part of the world or group of countries, enabling, for example, the special relationship of the trade of European countries to each other to be clearly seen, as also their relationship as a continent with the trade of other parts of the world.
3. CONCERTED ECONOMIC ACTION.

The Tenth Assembly, struck by the fact that the recommendations of the Economic Conference of 1927 had remained without practical effect, particularly in the case of the lowering of tariffs, prepared a concerted programme of a far-reaching character which was to proceed by stages and to be based on two clearly defined methods — namely, the establishment of a period of truce ensuring the maintenance of the status quo as regards tariffs, and negotiations between the States concerned during this tariff truce on the basis of a programme previously prepared.

(a) First Conference.

The first stage in this programme of concerted action was the Conference held in February and March of this year. All States without distinction were invited to this Conference; but, as might have been anticipated from the prominence given in the Tenth Assembly debates to the extreme gravity of the economic situation in Europe, the Conference assumed, in fact, an essentially European character.

In accordance with the programme, the Conference produced two Acts — the Commercial Convention and the Protocol regarding the Programme of Future Negotiations.

The Commercial Convention took the place of the Customs truce which the Tenth Assembly had had in mind. It provides for the assumption of a number of obligations which, while not stipulating the absolute cessation of increases of Customs duties, tend nevertheless to achieve the same result without imposing a rigid rule which the legislation or internal situation of certain States would make it impossible for them to accept.

Although this Convention is not yet in force, it has already had its effect (since its signature on March 24th, 1930) as a pacifying and stabilising element in the tariff field.

The Protocol of Future Negotiations proposed, in the first place, the study of concerted solutions for a number of problems affecting international commercial relations outside the question of Customs tariffs.

In the second place, it contained a questionnaire dealing with international trade in agricultural and industrial products, and thus constituting a possible prelude to tariff negotiations.

Neither the Commercial Convention nor the Protocol regarding the Programme of Future Negotiations have been signed by any but European States.

The conditions of putting the Commercial Convention into force and the initial negotiations in virtue of the Protocol were to form the subject of a second Conference, which came to an end on November 28th last.

(b) Second Conference.

The results of the second Conference are recorded in the Final Act signed on November 28th, 1930 (see document A.E.C. 17 (1)).

The President of the Conference, M. Collijn, will be present at Geneva during the meeting of the Commission of Enquiry for European Union to provide the latter with information on the principal questions left over by the Conference.

It is sufficient, therefore, to state that, amongst the resolutions contained in the Final Act, there were four which would seem to call for the special attention of the Commission of Enquiry for European Union, in virtue of their importance and urgency — namely, the resolutions on:

(a) The putting into force of the Commercial Convention;
(b) The negotiations which are about to begin between certain States with non-negotiable tariffs and certain other States with negotiable tariffs, and, in particular, between Great Britain on the one hand and those Continental States which are large purchasers of British exports on the other;

1 The Commercial Convention has been signed by Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Great Britain and Northern Ireland, Greece, Italy, Latvia, Luxemburg, the Netherlands, Norway, Poland, Rumania, Sweden and Switzerland, and ratified by Belgium, Denmark, Finland, Great Britain and Northern Ireland, Italy, Latvia, Luxemburg, Norway, Sweden and Switzerland.

The Protocol regarding the Programme of Future Negotiations has been signed by all the countries of Europe except Albania.

The Eleventh Assembly explicitly recognised the close connection between the current development of concerted economic action and the objects of the Commission of Enquiry for European Union in the following resolution:

"Considering that the Commission set up by the Assembly resolution of September 17th, 1930, was instructed to consider the possibilities of close co-operation between European Governments in every field of international activity, including the economic field, and consequently the problems which this Commission will have to study are, to some extent, the same as the problems set forth in the Protocol regarding the Programme of Future Negotiations of March 24th, 1930, more especially as regards the most-favoured-nation clause and commercial policy:

"Recommends that a close connection should be maintained between the work of this Commission and that involved in the execution of the above-mentioned Protocol, as both are of primary interest to the same States."
(c) Reconsideration of the Convention for the abolition of prohibitions;
(d) Agricultural credit, particularly for the States of Central and Eastern Europe.

1. Putting into force of the Commercial Convention. — Only eight States (Belgium, Denmark, Finland, Great Britain, Latvia, Norway, Sweden and Switzerland) had ratified before the end of the time-limit on November 1st, 1930. Italy and Luxemburg ratified a few days later.

In the circumstances, the Conference felt bound to postpone the putting into force of the Convention in order to await the ratifications of the other States, the co-operation of which was considered indispensable. The Commercial Convention has, in fact, been approved by the French Chamber of Deputies, and is now before the Senate. It will come before the Reichstag at the latter's next meeting; and, from the information to hand, the ratification or accession of a number of other countries appears probable comparatively soon.

The Conference accordingly postponed its decision to a subsequent meeting (the date suggested for which is the latter half of March), at which it will be possible to take a decision with regard to the putting into force of the Convention with knowledge of the facts.

The putting into force of the Commercial Convention is clearly of the first importance for the progressive execution of the programme of concerted economic action.

2. Tariff and other negotiations between Great Britain (and the Netherlands, and possibly other countries with non-negotiable tariffs), on the one hand, and certain other Continental States on the other. — As a result of arrangements made during the Conference, the above negotiations are about to begin between Great Britain (and, possibly, the other States mentioned) and those Continental countries which take a considerable proportion of British exports. The countries in question with conventional tariffs are Belgium, France, Germany, Italy, Poland, Switzerland, etc.

When it is added that the special situation of Great Britain obliges her to make her decision with regard to the putting into force of the Commercial Convention conditional on the progress of these negotiations before April 1st next, the Commission of Enquiry for European Union will readily appreciate the importance attaching to the results of these negotiations.

3. Reconsideration of the Convention for the Abolition of Prohibitions. — The Convention for the Abolition of Import and Export Prohibitions, an international instrument intended to ensure freedom of commerce and particularly the circulation of raw materials under pre-war conditions, had been ratified on June 30th, 1930, by eighteen European States, as well as by the United States of America and Japan.

Seven States have put this Convention into force unconditionally, and are bound by it until June 30th, 1931; but the seven States are precisely those who have not had recourse hitherto to the system of prohibitions, except on the rarest occasions.

To enable this Convention to have its full effect, it would have to be put into force by all European States of economic importance.

In November 1929 this result was very near being achieved; but the fact that Poland did not see her way to ratify led, owing to the close economic interdependence of the European countries, to the break-up of the important group of countries which had supported the Convention.

At the recent Conference it became clear that the desire to make this agreement sufficiently extensive and thus to preclude finally a return to the system of prohibitions — always a possibility in a period of crisis — is shared by a very large number of European countries. It is possible that certain recent new developments may have a favourable effect on the situation and help the solution desired, particularly as the difficulties in the way are well known and clearly limited.

This is therefore another subject which deserved the full attention of the Commission of Enquiry for European Union.

4. Agricultural credit, particularly for the States of Central and Eastern Europe. — The agricultural States of Eastern Europe, actuated by the identity of their interests, were led, as the result of a succession of conferences, beginning with that of Warsaw in August last, to submit, within the framework of the Protocol of Future Negotiations, a number of requests and suggestions, of which the two chief were for the granting of preferential Customs treatment for cereals coming from these countries, and the possibility of obtaining credits on reasonable terms, to allow of effective relief to the agriculturists of those countries who are going through a deep-seated and dangerous crisis.

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1 Austria, Belgium, Czechoslovakia, Denmark, Finland, France, Germany, Great Britain, Hungary, Italy, Luxemburg, Netherlands, Norway, Portugal, Roumnania, Sweden, Switzerland and Yugoslavia.
2 Denmark, Great Britain, Japan, Netherlands, Norway, Portugal and the United States of America.
The first of these proposals raised questions of principle of very great difficulty, owing to the general application of most-favoured-nation treatment, and it was not possible to arrive at the results for which the countries putting forward these proposals had pressed.

On the other hand, the Conference devoted the utmost attention to questions of agricultural credit, and requested the Council to take up the study of this question without delay. (The question has already been discussed in Chapter I of the present note dealing with financial questions.) This is a new field of work in the economic reconstruction of Europe.

The Commission of Enquiry for European Union will realise the importance of this question, and will no doubt desire to give it its attention.

Note. — The Conference also passed other resolutions, on the treatment of foreigners and the study of non-tariff questions. These matters, though of great importance, do not appear to have the character of immediate urgency which has guided the Secretariat in the drafting of the present note.

II. REPORT ON THE WORK OF THE COMMUNICATIONS AND TRANSIT ORGANISATION IN THE EUROPEAN SPHERE.

1. QUESTIONS EXAMINED IN THE PAST AND WORK IN PROGRESS.

A. Effect given to the Resolutions of the Genoa International Economic Conference of 1922 relating to Transport.

In pursuance of the resolutions relating to transport adopted by the Genoa Conference, the Advisory and Technical Committee for Communications and Transit, to which the resolutions had been sent, first of all had an enquiry made into the position in regard to transport by rail. This enquiry was to find an answer to the three following questions:

1. What action has been taken up to the present to restore or improve the organisation of railways and means of communication, and what assistance might be required in the future?
2. What are the possibilities of supplying other States with such assistance as they may require both in expert staff and in material?
3. What effect has been given up to the present to the Porto-Rosa Agreements, and to what extent have the principles contained in them been applied?

On these various points the States concerned were requested to forward the necessary information to the Secretariat of the Committee. As regards certain countries, however, in the case of which the problems were particularly complicated, a slightly different method was employed, and the Committee appointed Colonel Mance as expert to get into touch with the competent technical services of those countries and co-ordinate the information received from them. In August 1923, Colonel Mance submitted a report on the position in regard to transport by rail in Bulgaria, Hungary, Poland, Roumania, Yugoslavia and Czechoslovakia. At the same time, the Secretariat published a note on the restoration and improvement of railway communications in the rest of Europe (see document A.64.1923.VIII). The Communications and Transit Committee, after considering the information received and Colonel Mance's report, adopted, in August 1923, a resolution expressing the opinion that the chief problems arising in connection with the restoration and improvement of transport by rail were not of a technical nature, but were financial problems connected with the stabilisation of currencies and the granting of credit.

In 1924, in consequence of a resolution adopted by the Sub-Committee for Inland Navigation, it was decided to undertake a study of the position in regard to inland navigation in Europe, both in its technical and, more particularly, in its commercial and administrative aspects. To this end, a procedure similar to that followed for the enquiry into the railways situation was adopted, and the Secretariat addressed a request for information to all the European Governments. In addition, Mr. Walker D. Hines, a former arbitrator on questions of river shipping under the Peace Treaties, agreed to undertake a special study of navigation on the Rhine and Danube. The report on the Rhine deals with five distinct questions — viz., railway competition; French super-tax; Customs seals; Customs practices at Cologne; the Regletschein and the Vrachtlijst. The report on the Danube, which represents material of the first importance, deals principally with the following questions: Volume of traffic; organisation of the different shipping companies and composition of their fleets; influence
of general economic conditions, especially in Roumania; river cabotage and the position as regards territorial waters; state of the Channel; Customs and other frontier formalities; port facilities; work of the International Danube Commission; work of the European Commission of the Danube; possibilities of improving the efficiency of navigation; cooperation between railways and shipping.

At its session of January 1926, the Sub-Committee for Inland Navigation adopted the following resolutions, among others:

"I. The Sub-Committee considers that the conclusion by the Danubian States of treaties of commerce would help to re-establish economic conditions favourable to the development of river navigation."

"II. The Sub-Committee draws the attention of the International Danube Commission to the necessity, in the interests of the rational utilisation of the river, of applying Article II of the Danube Statute, which provides for the establishment of a general programme of improvement."

"III. The Sub-Committee considers that it is extremely desirable to simplify Customs formalities on the frontiers."

"IV. The Sub-Committee notes with satisfaction the statements made which show that the desired agreements will shortly be concluded for ensuring in all Austrian, Hungarian and Czechoslovak ports on the Danube entire equality of treatment for the shipping companies of the various countries as regards the allocation of wharfs and warehouse accommodation. It considers that the same spirit should be shown in settling such questions in the other Danube ports."

"V. The Sub-Committee thinks it would be desirable for States to adopt as far as possible a liberal policy which would enable shipping companies to utilise, in a rational and economic manner, both the international system and national waterways, including ports."

The general enquiry into the situation of inland navigation in Europe apart from the Rhine and Danube basins elicited replies from the Governments of the following countries: Austria, Belgium, Finland, France, Germany, Great Britain, Hungary, Italy, Latvia, Luxemburg, Netherlands, Sweden, Switzerland, and the Union of Soviet Socialist Republics. These replies were collected in document C.553.M.290.1926.VIII, Annex I, and were discussed by the Sub-Committee for Inland Navigation in July 1926. As a result of these discussions the Sub-Committee adopted a resolution from which the following extracts may be of interest:

"The Sub-Committee notes:

"(2) That, if the traffic, though it is increasing on the whole, has not attained its pre-war level, this is due not to causes of a technical nature but to internal economic conditions in the various countries and the post-war changes in international trade relations; and that, from both the above standpoints, an improvement in the traffic on navigable waterways depends primarily on an increase in the volume of trade;"

"(3) That the work of improving the network of navigable waterways and preparing new waterways is, in most countries, proceeding slowly owing to lack of funds, as a result of the need for budgetary economy and the difficulty of obtaining credits; but that efforts are being made to put fresh work in hand on strictly commercial lines, notably in conjunction with the utilisation of hydraulic power;"

"(4) And that, with reference to the international co-operation contemplated by the Genoa Conference, the Sub-Committee has already been able to provide one Government with the assistance of a committee of experts to give an opinion on a programme of hydraulic work and the preparation of new waterways, and that such a system of co-operation would seem feasible in other cases, more particularly with a view to securing the systematic co-ordination of the programmes outlined in various countries.

"Although the Sub-Committee has not extended its general enquiry to the progress made in the ratification of the Barcelona Convention concerning the regime of navigable waterways of international concern and the framing of the Acts of navigation for international rivers, it would draw attention to the desire expressed by the Genoa Conference that effect should be given as speedily as possible to these Acts or Conventions which, in their own sphere, tend to ensure that freedom of international communications without which the network of European waterways cannot be utilised to its full extent."
A special Committee was appointed to make a more detailed study of questions relating to competition between railways and waterways. In March 1929, this Committee submitted its report (document C.127.M.43.1929.VIII), which terminates with the following, among other conclusions:

"What the Committee recommends in this situation is that all railway rates, general as well as exceptional ones, should be put to the test of figures of actual self-costs.

"As a general rule, the principle which ought to apply is, according to the Committee, that no rates should be quoted below additional cost of carriage, and that no route should be preferred to a less expensive one, the value of the service rendered being the basis in both cases.

"If, none the less, it should be considered necessary, for political or other reasons, to act otherwise, it is highly to be recommended that such a step should never be taken without full knowledge of the facts and public information about them.

"As the railways are in that case deflected from the purposes of transportation, it might even be wished that other means than railway rates were used in the service of such a policy. The Committee thinks that in these cases actual bounties, to the benefit of traffic to or from particular ports, would be preferable to laying the railways under contribution and, consequently, either diminishing their surplus or making use of them as a means of taxing the consumer. Such a policy would make the situation clearer and facilitate international adjustments."

This report was forwarded to the Governments by the Communications and Transit Committee.

B. European Conference on the Tonnage Measurement of Vessels in Inland Navigation.1

This Conference was held in November 1925, and led to a Convention on the tonnage measurement of vessels in inland navigation, which contains as an annex technical regulations establishing a uniform method for the tonnage measurement of such vessels, and provides for the mutual recognition of tonnage certificates issued by the competent authorities of the contracting States in conformity with the stipulations of the Convention and the regulations annexed thereto. The following are at present contracting parties to the Convention: Austria, Belgium, British Empire (for Great Britain and Northern Ireland), Bulgaria, Czechoslovakia, Free City of Danzig, France, Germany, Hungary, Netherlands, Poland, Roumania, Spain, Switzerland, Yugoslavia.

C. International Regime of Passports, Visas and Other Similar Questions.

Two special Conferences have been held under the auspices of the Communications and Transit Organisation, one in 1920 and the other in 1926, with a view to simplifying the administrative formalities.

Although representation at these conferences was in no way confined to European countries, they answered chiefly to European needs, and the results have mainly made themselves felt in Europe.

The 1920 Conference adopted a uniform model passport and recommended a large number of changes in the existing regime, aiming, if the system of passports and visas could not be altogether abolished, at least at diminishing the inconveniences of this system by a reduction in the cost of passports and visas, the prolongation of their duration, and the conclusion of agreements between countries for the abolition of entrance visas wherever it might appear possible. The Conference asked for the immediate abolition of exit visas. The majority of the measures recommended by the Conference have been gradually put into effect by the different countries, and the Advisory and Technical Committee, by periodical enquiries, has satisfied itself that the efforts it set on foot are being steadily pursued.

The 1926 Conference, although unable to bring about the abolition of passports or even the complete abolition of visas, nevertheless secured the abolition of visas as between a large number of countries, and achieved fresh progress, particularly with regard to the cost and duration of validity of passports and visas.

1 In virtue of Article 12 of the Statute for the Organisation for Communications and Transit adopted by the Third General Conference on Communications and Transit (September 2nd, 1927):

"... limited conferences are conferences to which a certain number of States only are invited to send representatives for the purpose of the examination of questions which specially interest such States. Limited conferences may be summoned by the Council on the proposal of the Advisory and Technical Committee. The Advisory and Technical Committee shall indicate in its proposal the names of the States which are, in the opinion of the Committee, specially interested.

"The Secretary-General of the League shall despatch a notification of the summoning of a limited conference to all the members of the Organisation at least four months before the opening of such a conference."
The Third General Conference drew up a model identity document for persons without nationality or of doubtful nationality who, owing to their position, could not obtain passports. The recommendations of the Third General Conference on this point have been put into effect by nearly all the countries of Europe.

D. European Conference on Cards for Emigrants in Transit.

This Conference was held in June 1929, and adopted an arrangement concerning the introduction of a transit card for emigrants. The arrangement, which came into force on September 12th, 1929, is based on humanitarian considerations, and aims at simplifying the transit formalities for emigrants crossing the territories of the contracting Governments. Transit cards are intended to help emigrants proceeding from Europe to overseas countries. They are made out by the Government of the port of embarkation and delivered to those concerned by the shipping companies. The arrangement, which provides for a uniform model for transit cards, lays down the conditions to be fulfilled by the emigrant in order to obtain one of these cards, which will exempt him from consular visas in the countries traversed, the latter also having undertaken not to charge any special administrative or transit tax. The arrangement is at present in force in the following countries: Austria, Belgium, Finland, France, Germany, Great Britain and Northern Ireland, Italy, Netherlands, Poland, Roumania, Saar Territory, Spain.

E. European Conference on the Transport of Newspapers and Periodicals.

This Conference, which was convened by the Council as a result of the work of the Conference of Press Experts held at Geneva in August 1927, met from November 25th to 29th, 1929. It adopted a certain number of recommendations relating chiefly to the transport of daily newspapers in international traffic, the rates charged, Customs and police formalities, Customs and fiscal duties on newspapers, the dropping of packets of newspapers from aircraft, and postal questions relating to newspapers and periodicals. It was also recommended that detailed regulations concerning the transport of daily newspapers should be drawn up by the International Railway Union, which would endeavour to lay down uniform rules. In conformity with the Conference's recommendations, the appropriate committee of the I.R.U. considered this question at its session in March 1930, which was attended by representatives of those postal administrations that possess a monopoly of the transport of packets of newspapers. The committee of the I.R.U. drew up uniform regulations applicable to the transport of daily newspapers, which will shortly be submitted to the Managing Committee of the I.R.U. for approval. The recommendations of the European Conference are thus in process of execution.

As regards Customs and fiscal duties on newspapers, a joint committee of the Fiscal Committee and the Advisory and Technical Committee for Communications and Transit has been set up, and will be called upon to deal with the question in the spring of 1931. The following Governments took part in this Conference: Belgium, Bulgaria, Czechoslovakia, Denmark, Finland, France, Germany, Great Britain and Northern Ireland, Hungary, Italy, Netherlands, Poland, Portugal, Roumania, Saar Territory, Spain, Sweden, Switzerland, Turkey and Yugoslavia.

F. Air Transport Co-operation.

The Air Transport Co-operation Committee met at Geneva in July 1930. By its composition and terms of reference, this Committee's sphere of activity is by no means confined to Europe, but is worldwide. In the programme of work drawn up by the Committee at its first session, however, the study of certain questions is provisionally confined to Europe until technical conditions make it possible to extend this study. These questions are:

1. The constitution and operation of the main network of permanent air routes, for which the following programme of study has been drawn up:

   (1) The choice of permanent air routes to form the main system;
   (2) An international programme for the equipment of these routes so as to permit of uninterrupted day and night flying;
   (3) The manner in which this network should be operated, namely:
      (a) The selection by inter-governmental agreement of qualified enterprises and the specification of traffic conditions;
      (b) The granting to all undertakings, engaged in the traffic over this system, of the widest possible facilities for choosing their equipment, from the sole standpoint of efficiency, provided this equipment complies with the international requirements regarding navigability.
2. Postal air transport, for which the following programme of study has been drawn up:

(1) To prepare a map of the air lines to be established between the capitals of the European countries and the points of importance to postal traffic in these countries. For this purpose, the Committee will get into touch with the competent authorities in the different countries;

(2) To indicate the necessary conditions for marking out air routes by night;

(3) To propose suitable means for increasing the equipment required for ensuring traffic in foggy weather;

(4) To draw up specifications of the performance and special qualities required of one or more types of aircraft to be utilised on these lines, taking into account the estimated freight and local topographical and meteorological conditions;

(5) To study the question of the surtax;

(6) To discuss with the postal services concerned the best methods for handing over mail to aircraft, the distribution of mail, etc.;

(7) To consider the form which international co-operation should take in the operation of the postal air service, and to study, if necessary, with the competent authorities of the different countries concerned, the sections which might be operated by each.

G. European Conference for the Unification of River Law.

A first European Conference for the Unification of River Law, convened by the Council, was held at Geneva from November 17th to December 9th, 1930. This Conference resulted in the conclusion of three international conventions, viz.:

(1) Convention for the Unification of Certain Rules relating to Collisions in Inland Navigation, which has already been signed on behalf of Belgium, Czechoslovakia, Free City of Danzig, France, Germany, Hungary, Italy, Netherlands, Poland, Roumanis, Switzerland, Yugoslavia;

(2) Convention on the Registration of Inland Navigation Vessels, rights in rem over such vessels, and other cognate questions, already signed on behalf of Belgium, Czechoslovakia, Free City of Danzig (ad referendum), France, Germany, Hungary, Italy, Netherlands, Poland (ad referendum), Switzerland, Yugoslavia;

(3) Convention on Administrative Measures for attesting the Right of Inland Navigation Vessels to a Flag, already signed on behalf of Belgium, Czechoslovakia, France, Hungary, Italy, Poland, Yugoslavia.

H. European Conference on Road Traffic.

The Council has decided to convene for March 16th, 1931, a European Conference on Road Traffic. The agenda of this Conference will include the following questions:

(1) Conclusion of a Convention on the International Regulation of Commercial Motor Transport;

(2) Conclusion of an International Agreement on the Unification of Road Signalling;

(3) Agreement between Customs Authorities to facilitate the Cancellation of Undischarged or Lost Triptychs;


2. QUESTIONS UNDER CONSIDERATION LIKELY TO BE OF SPECIAL IMPORTANCE TO EUROPEAN COUNTRIES.

A. Status of Broadcasting.

The question of an international status for broadcasting, although it is not merely of European interest in some of its aspects, is nevertheless a problem of special importance to Europe, in view of the large number of countries concerned and broadcasting stations in close proximity to one another. The Communications and Transit Committee, which has already had to deal with certain aspects of the problem of the international organisation of broadcasting—a problem which is also of special concern in connection with intellectual co-operation—adopted the following resolution at its thirteenth session (March 1929):

"The Advisory and Technical Committee for Communications and Transit has noted the report adopted by the Assembly at its last ordinary session concerning the
study of the distribution of broadcasting wave-lengths, and also the statements submitted to it by the Director of the International Bureau of the Telegraphic Union and by the representative of the International Broadcasting Union.

"The Committee feels that it would be difficult for it to intervene in the examination of a specific broadcasting question without having a general view of the problems raised by the international organisation of broadcasting.

"It reaffirms its anxiety not to interfere with the international organisations established by international conventions in the exercise of the functions provided for in these conventions.

"It requests the Secretary-General of the Committee to prepare for a future session a report on the international problems connected with the organisation of broadcasting, obtaining, if necessary, the assistance of experts appointed at his request by the Chairman of the Committee.

"The Committee regards it as essential, in order to ensure the necessary co-ordination between the various organisations interested in broadcasting, that the Advisory and Technical Committee should be kept in constant touch with these organisations and be represented in an advisory capacity at the conferences held under their auspices, it being understood that these organisations will also be invited to send representatives to the Advisory and Technical Committee when the latter discusses questions relating to broadcasting."

B. Consequences of the Preliminary Conference with a View to Concerted Economic Action.

A resolution of the Council dated May 12th, 1930, having referred to the Communications and Transit Committee a certain number of questions raised by the Preliminary Conference with a View to Concerted Economic Action held at Geneva from February 17th to March 24th, 1930, which were inserted in the annex to the Protocol concerning the programme of future negotiations, the Committee reached the following decisions at its fifteenth session (September 1930):

1. Transport of Agricultural Products.

The Committee requests its Chairman:

(1) To appoint three experts who shall be instructed to submit, with the cooperation of the Secretariat, a preliminary report on this question to the next session of the Committee; it will be the duty of the experts to secure such documentary material as they may deem necessary;

(2) To invite the Governments to transmit to the Secretariat, before February 1st next, all available information as to the disadvantages imposed on the transport of agricultural products by the present situation, and also as to the measures they would recommend with a view to remedying that situation; the Chairman of the Committee will endeavour, if need be with the aid of the above-mentioned experts, to make clear in his request to the Governments the nature of the information to be collected.

The Committee will, at its next session, decide whether or not it seems advisable to include in the agenda of the Fourth General Conference on Communications and Transit, with a view to general discussion, the consideration of the problems concerning the transport of agricultural products raised by the Geneva Conference held in February and March, 1930.

2. Questions of Rationalisation in the Sphere of Transport.

The Committee instructs the Secretariat to submit to it at an early session a report showing what rationalisation questions have already been dealt with by the Communications and Transit Organisation and also what other rationalisation questions might arise.

3. Extension of International Agreements relating to Transport.

The Advisory and Technical Committee decides to refer to the Permanent Committee for Inland Navigation the request of the Preliminary Conference with a View to Concerted Economic Action that consideration should be given to the possibility of framing an international agreement on inland navigation on national waterways, based on the principles enumerated in the Additional Protocol to the Barcelona Convention of 1921. The Committee decides to refer to the Permanent Committee for Transport by Rail the request of the said Conference that the railway administrations of the various countries should be asked by their Governments to consider the possibility of adopting identical principles as regards freedom of communications as the basis of their international agreements relating to transport.
4. **Adjustment of Railway Tariffs.**

The Committee having examined the following request put forward by the Preliminary Conference with a View to Concerted Economic Action:

"The Conference, considering that certain transport tariffs on imported goods and certain internal tariffs which discriminate against foreign goods may constitute a form of indirect protection, and considering, moreover, that certain special export tariffs may be regarded as equivalent to indirect export bounties, recommends that these questions be considered by the Communications and Transit Organisation jointly with the Economic Organisation of the League ",

decides to adjourn the examination of this question to its next session. It requests the Secretariat to present to it a preliminary report for that session. This report should contain more particularly full information as to the procedure followed by the League of Nations Economic Committee for the examination of questions relating to indirect protection and the progress of the Economic Organisation's work in the matter.

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**III. REPORT ON THE WORK OF THE HEALTH ORGANISATION IN RESPECT OF EUROPEAN HEALTH QUESTIONS.**

1. The following is a list of the European health questions with which the Health Organisation of the League has dealt or will deal in the immediate future:

   (a) (1) Work of the Epidemic Commission in Europe;
   (2) The Sanitary Conference held at Warsaw in 1922.

   (b) Service of Epidemiological Intelligence; collection and distribution, by the most rapid means, of information concerning the epidemic movement of influenza in Europe in 1926 and 1927.

   (c) The European Conference on Rural Hygiene, to be held at Geneva in April 1931.

   (d) Comparative studies on European health problems undertaken at the request of various health administrations in Europe: cancer, infant mortality, preventive aspects of health insurance, malaria; courses in malariology.

   (e) The Health Organisation's system of liaison as it affects the Health administrations of European States:

      (1) General and specialised collective study tours (interchanges).
      (2) Individual study tours (missions).

   (f) Education in hygiene: Conference of Directors of European Schools of Hygiene, held at Dresden in July, 1930.

2. A technical international health organisation must be in a position to furnish information and advice when asked to do so by the health administrations of various countries. That requests of this character have been addressed to the Health Organisation of the League with increasing frequency is shown by the pages which follow. The basis for the accumulation of information and advice of the kind required to satisfy such request is the experience which such an organisation has acquired by means of its collective studies and investigations, which must be undertaken in areas where health work has been carried on longest and in the most concentrated form.

Under these conditions, it is only natural that much of the Health Organisation's work should have a special bearing on European health problems, for it was in Europe and North America that modern principles of hygiene and preventive medicine were first applied.

Moreover, when the League's Health Organisation was in process of establishment, post-war conditions exerted such an influence on public health in Europe that health problems became one of the first concerns of many European Governments, and it was necessary to apply remedial measures before real progress in reconstruction could be assured.

A number of these health administrations requested the League for assistance in solving such problems, and the Health Organisation was enabled, as a result of the studies undertaken, to gain an experience and to collect information, which was afterwards available for the health administrations of non-European States.
The enquiry into infant mortality in selected districts of seven European countries, for example, was followed quickly by requests from the health administrations of four countries in Latin-America, that the Health Organisation should organise similar enquiries within their borders, and the conduct of these enquiries was guided by the experience acquired in the European districts.

The majority of the collective study tours (interchanges) organised by the Health Organisation have been held in European countries, because of the rich material and ripe experience which they possess.

Nevertheless, a large number of medical officers from other countries have participated in these interchanges, and thus have secured for themselves and for their health administrations the benefits of the experience acquired by the longer established European public health services.

The real international importance of the other European enquiries and studies mentioned above is just as evident as in the case of infant mortality and interchanges.

(a) 1 WORK OF THE EPIDEMIC COMMISSION IN EUROPE.

In view of the post-war health problems, an international health conference which met in London in April 1920 to advise the Council of the League concerning the application of Articles 23 (f) and 25 of the Covenant, recommended the appointment of an Epidemic Commission, pending the creation of a permanent international health organisation, to co-operate with the health administrations of Eastern Europe in their campaign against typhus fever and other epidemic diseases.

The Epidemic Commission, which the Council created in May 1920, acted through the health administrations of the countries concerned by co-ordinating their efforts, organising a system of epidemiological intelligence in the area, collecting and distributing the necessary medical supplies, and making epidemiological studies, especially in Poland and Russia, where the situation was most serious.

A good example of the work accomplished by the Epidemic Commission is the assistance it was called upon to give in Greece, where serious epidemics of smallpox, cholera and enteric fever broke out among the refugees who poured in from Asia Minor as a result of the war with Turkey. The Epidemic Commission assisted the Greek Government to organise a vaccination campaign, which was successful in protecting some 550,000 refugees by this means against the three prevalent diseases.

In Eastern Europe the work undertaken by the Epidemic Commission, in co-operation with the countries concerned, may be summarised as follows:

(a) The organisation of quarantine stations.
(b) The equipment of hospitals.
(c) The application of measures for disinfecting and cleansing.
(d) The collection and distribution of supplies of food, clothing, soap, motor transport and other like necessities.
(e) The collection and distribution of recent and accurate information concerning the epidemic situation.
(f) The organisation of the campaign by means of the application of preventive measures in the epidemic centres.

The Epidemic Commission was afterwards absorbed by the Permanent International Health Organisation.

(a) 2 THE EUROPEAN SANITARY CONFERENCE HELD AT WARSAW IN 1922.

In the meantime, as a result of famine, as well as post-war repatriation involving large movements of population, the epidemic situation in Eastern Europe as regards cholera, typhus and relapsing fever became very grave in the winter of 1921-22, threatening to break down the sanitary defences in the eastern provinces of Poland, and to overwhelm other European countries.

The Secretariat of the League of Nations consequently circulated a report on the situation to all States Members of the League.

On the receipt of this report, the Polish Government applied to the Council of the League, requesting the immediate convocation of a technical European Conference to consider the situation, and to recommend measures to be taken to prevent the further spread of these epidemics.

1 Argentine, Brazil, Chile, Uruguay.
With two exceptions, all European Governments were represented at the Conference by technical experts, and technical recommendations were adopted as well as definite proposals as to procedure. These were presented to the Genoa Economic Conference, in view of the opinion expressed at Warsaw that no scheme of economic reconstruction of Europe was possible until effective measures had been taken against epidemics.

The Genoa Conference decided that:

"The Conference approves the principles of the anti-epidemic campaign and of European sanitary defence adopted by the Warsaw Conference, and recommends the European Governments here represented to consider immediately the practical application of these principles and for this purpose to appeal to their respective Parliaments to provide the necessary means."

The Warsaw Conference expressed the wish that the execution of its recommendations should be entrusted to the Health Organisation of the League of Nations.

The results of the Conference were to carry the anti-epidemic campaign into the centres of infection (the Ukraine, etc.), to promote the conclusion of bilateral sanitary agreements between the affected countries, to foster the free interchange of recent epidemiological information, and to co-ordinate the work of the health administrations most directly affected.

(b) INFORMATION CONCERNING THE EPIDEMIC MOVEMENT OF INFLUENZA IN EUROPE IN 1926 AND 1927.

The Health Organisation's work in this field is an example of the assistance it may be called upon to give in respect of purely European health problems.

The Health Organisation's Service of Epidemiological Intelligence is engaged at Geneva and Singapore in collecting and distributing information respecting the most serious epidemic diseases by the most rapid means. Cables are received weekly at the Singapore Bureau from the health administrations controlling more than 140 of the most important ports, describing the actual epidemic situation in those ports. This information is distributed weekly by a dozen wireless stations to health officers and ships at sea.

A weekly printed bulletin containing more detailed information, is also distributed by the Singapore Bureau.

In Geneva daily, weekly, monthly and annual bulletins are published, containing all available information concerning the movement of epidemic diseases in the various countries, and these are supplemented by the weekly despatch of a wireless message from Nauen (Germany) and the use of the cable in case of need.

The information received from European health administrations in December 1926 having revealed that influenza had reached epidemic proportions in France and Switzerland, and that it was more prevalent than usual in several other European States, telegrams were addressed to all European health administrations requesting them to keep the Health Organisation informed concerning the progress of the disease, in order that authentic information might be supplied to health officers whose duty it was to keep the public informed concerning the real situation and to organise measures of relief and prevention.

The epidemic persisted until the middle of February 1927, and the European health administrations continued to keep the Health Organisation informed of its progress by means of daily telegrams. This information was distributed to the various countries for the first time by wireless messages prepared by the Health Organisation. In addition, telegrams were sent to the administrations whose territory was menaced by the progressive movement of the epidemic, and daily multigraphed bulletins were issued.

As a result of this rapid information service, various administrations found it possible to organise medical relief and preventive measures well in advance of the epidemic.

Seven health administrations telegraphed asking that the wireless information service be continued, and information was transmitted to North America and other continents.

A less serious epidemic of influenza occurred in Europe at the beginning of 1929, which occasioned the resumption of the Health Organisation's attempt to collect and distribute by the most rapid means all available information concerning its prevalence.

(c) THE EUROPEAN CONFERENCE ON RURAL HYGIENE TO BE HELD AT GENEVA IN APRIL 1931.

Another example of the Health Organisation's work in respect of purely European health problems is the proposal of the Spanish Government that the League should convene at Geneva a conference of representatives of European States for the purpose of a technical international study of rural hygiene, considered as one of the most important factors in the organisation of agricultural areas in Europe.
The Council of the League approved the proposal, decided to convene the Conference in April 1931, and referred the matter to the Health Committee for technical study and report.

In presenting the proposal to the Council, the representative of the Irish Free State (Rapporteur on health questions) called attention to the important role played by general sanitation and hygiene in any campaign intended to raise the standard of living in rural areas, and to the fact that there are very few countries in Europe to-day in which the measures for preserving the health and promoting the welfare of the rural population are up to the standard obtaining in urban areas.

He described the work in this field of the Health Organisation, which has sought to assist Governments faced with problems of rural hygiene, by means of individual and collective studies, resulting in a valuable collection of information and an interchange of experience, so that the methods adopted and the results achieved by the countries most advanced in this respect have been placed at the disposal of all. Its enquiries into the causes of infant mortality in seven European and four Latin-American countries included studies of this subject in rural areas of each country. The plan for the sanitary reorganisation of Greece, in which the Health Organisation has collaborated with the Greek Government, is based on the most modern methods of organisation in rural districts, and its publications contain much valuable information on the organisation of rural hygiene in the countries most highly developed in this respect.

The Health Committee recommended that the following should be the agenda:

(a) Guiding principles and appropriate methods for ensuring effective medical assistance in rural districts;

(b) The most effective methods of organising the health services in rural districts;

(c) The sanitation of rural districts; the most effective and economical methods.

It was also recommended that the European Governments should be invited to send as delegates experts in sanitary engineering, rural administration, social insurance and agriculture as well as in hygiene.

In view of the forthcoming Conference, the Health Organisation convened, in November 1930, a group of experts on rural health centres.

The Preparatory Committee set up by the Council will meet in December to consider the material to be placed at the disposal of the Conference.

A representative of the International Institute of Agriculture has been invited to participate in the work of the Preparatory Committee. Invitations have been issued to the Governments of non-European States which have a special interest in rural problems to send observers to the Conference to hear the discussions.

The documentary material being prepared for the Conference will consist of an analysis of existing practice in respect of the three items on the agenda, with an indication of the methods which have yielded the most fruitful results, particularly in those rural areas in which important reconstruction work of this character has been carried on during the last ten years.

(d) COMPARATIVE STUDIES ON EUROPEAN HEALTH PROBLEMS UNDERTAKEN AT THE REQUEST OF VARIOUS HEALTH ADMINISTRATIONS IN EUROPE.


During a Health Committee session held in May 1923, the British member proposed that the investigations which had been begun in Great Britain on the comparative mortality from cancer in different countries should be carried out internationally, to determine the causes of the considerable differences in the statistics of Great Britain, Italy and the Netherlands, as regards the mortality rates of two special forms of cancer.

A Cancer Commission was set up and medical experts were co-opted to undertake the statistical and clinical enquiries which were planned to elucidate the problem.

The object of the statistical enquiry was to determine whether the observed differences in the mortality rates of the three countries were real, while one of the objects of the clinical enquiry was to ascertain whether the apparent differences in the mortality rates might be due to more frequent resort to surgery in one or other of them.

The statistical enquiry indicated the genuineness of the differences in mortality rates, but failed to reveal an explanation of these differences; while the clinical inquiry revealed that early resort to surgery was deplorably lacking in all three countries.
The Cancer Commission also undertook, jointly with experts appointed by the International Labour Office, an enquiry into occupational cancer, to determine whether cancer occurred in some occupations in some countries and not in the same occupations in other countries, and whether new forms of occupational cancer were occurring. Valuable information was secured concerning cancer of the lungs among miners working to extract pitch-blende from which radium is derived.

The findings of the Commission concerning the pressing necessity for the early treatment of cancer, and the increase in the use of light therapy for this purpose, led to a study of the radiological treatment of cancer.

Only a few clinics had used this method for a sufficiently long period to be able to appraise the results and the value of the different methods of application. Consequently, the Commission published an account of the technique, methods and results of the three most important European clinics (Munich, Paris, Stockholm), so that the special information and experience concentrated at these three clinics would be made available to medical authorities in all countries.

2. Infant Mortality.

During the Sixth Assembly, the delegation of the Netherlands proposed that the Health Organisation should undertake an international study of the cause of infant mortality in view of the importance of this subject for all countries. This proposal was referred to the Health Committee, which decided to invite a group of health experts in infant welfare to draw up a scheme for the enquiry.

These experts proposed that an enquiry into the causes of infant deaths and still-births should be carried on in seven European countries,1 to elucidate the causes of deaths among infants under one year of age dying in the selected districts during that period of time.

The enquiry, which was completed in 1928, was carried on in twenty-nine urban and rural European districts and the deaths of 7,503 infants were investigated.

From the mass of data collected and analysed, the experts reached a series of important conclusions concerning measures of prevention, and drew up a number of recommendations in respect of the social and legislative measures which should be applied to prevent death during infancy.

The experts also adopted a number of general recommendations in regard to popular health instruction, special training in midwifery required by physicians and midwives, and the supervision of infancy by means of public health nurses.

The health administrations of four Latin-American countries2 requested the Health Organisation to organise similar enquiries within their borders, and these enquiries were completed in 1930.

In Europe, five health administrations3 have asked the Health Organisation for its assistance in conducting such enquiries, and the experts from these countries who will be entrusted with the work have been given by the Health Organisation an opportunity to study the conduct of the enquiries in one or more of the countries in which the original investigations were made.

3. Preventive Aspects of Health Insurance.

In 1926, the delegation of Czechoslovakia to the Seventh Assembly proposed that, in the interests of the economic, practical and efficient organisation of the public health services, including national health insurance, the Health Organisation should undertake a comparative study of these aspects of health administration in various countries.

As the principle of health insurance was first applied in Europe, and as organised systems of health insurance were until quite recently restricted to Continental Europe and Great Britain, it is natural that the studies organised by the Health Organisation jointly with the International Labour Office should be limited for the time being to this area. Nevertheless, in view of these studies, an extra-European Government (Uruguay) has already asked for the assistance of the Health Organisation in this field, and a number of medical officers from other continents have been provided by the Health Organisation with opportunities to study European experience.

Two commissions of experts have been appointed by the Health Organisation and the International Labour Office. The first has set up a number of small sub-commissions to study the subject in respect of maternal and infant welfare, pre-school and school hygiene, protection of the adolescent, tuberculosis, venereal diseases and popular health education. These sub-commissions are carrying out studies of these subjects in limited areas of countries having different forms of health insurance.

1 Austria, France, Germany, Great Britain, Italy, the Netherlands and Norway.
2 Argentine, Brazil, Chile and Uruguay.
3 Czechoslovakia, Denmark, Roumania, Spain and Yugoslavia.
The second has studied the methods of co-operation established between health insurance organisations and health agencies generally in the field of prevention. In the course of a study tour in Austria and Germany in 1928, this commission prepared a report emphasising the necessity for such co-operation, describing the methods which have been adopted to ensure it in these two countries, and drawing attention to the general principles involved.

The authorities of Czechoslovakia have followed closely the work of these commissions and have attempted to co-ordinate the action of their own public and private health agencies and health insurance organisations by means of a national committee, which has prepared a report on the methods of securing co-operation between these agencies, in respect of infant and maternal welfare and tuberculosis.

4. Malaria.

The Health Organisation's Malaria Commission has sought to abstract from the experience of the several countries those principles and methods which might serve to guide a health administration called upon to engage in the anti-malaria campaign. The results of its field studies have been published and made available to all malariologists. In addition, the Commission has undertaken to co-ordinate national research into important aspects of malaria—epidemiology, prevention, treatment, etc.—and has organised studies of preparations (cinchonine, quinetum, the total alkaloids of cinchona) which might serve to supplement the insufficient supply of quinine and be made available for the treatment of the sick at a lower cost.

The problem of malaria, less acute now than soon after the war, was aggravated by the movements of population consequent upon the war, repatriation and famines, these movements resulting in the extension of severe forms of malaria to areas hitherto immune. Moreover, the establishment of new Governments which lacked personnel trained in malariology necessitated the organisation of special courses (described hereafter) and the utilisation of the experience of the older countries for the purposes of field training.

Under these circumstances, it was but natural that certain European health administrations should ask the Health Organisation for assistance in this technical field. In 1923, the Albanian Government asked the Health Organisation for its assistance in preparing a plan for an extensive campaign against malaria. An expert was sent to Albania in 1923 and 1924. His recommendations were intended to serve as a basis for the organisation of the public health service in the whole country.

The health administration of the Kingdom of Yugoslavia invited the Malaria Commission to delegate one of its members for the purpose of reporting on the value of the anti-malarial measures applied in Southern Serbia and Macedonia. This study was undertaken in the summer of 1925.

In 1924, the French Government invited the Health Organisation to appoint experts for the study of malaria conditions in the Island of Corsica.

Two of the French members of the Malaria Commission were appointed to make this study. Their report, containing detailed recommendations, after consideration by the Malaria Commission, was presented to the French Government.

Research into important problems of malaria is being carried on in behalf of the Malaria Commission in Germany, Great Britain, Italy, the Netherlands, France, Spain and Yugoslavia.

Courses in Malariology held in Hamburg, London, Paris and Rome under the Auspice of the Health Organisation.—Certain public health administrations, although determined to wage a systematic campaign against malaria, are handicapped by the lack of personnel specialised in the epidemiology and prevention of the disease, which, more than any other, requires special training and experience.

Facilities for providing such training are available in several European countries, notably in France, Germany, Great Britain and Italy, where special schools or institutes concerned with tropical diseases are in existence. Moreover, modern preventive measures are being applied in malarious districts of several European countries, especially Italy, Spain and Yugoslavia, and these form suitable centres for the practical training of public health officers in the control of malaria.

In view of this situation, the Malaria Commission recommended, in 1925, that intensive courses and practical studies in malariology should be arranged at these centres.

The Health Committee approved this recommendation and the courses were started in 1926.

The theoretical and laboratory courses, lasting about one month, were held at the Institute for Tropical Diseases, Hamburg, the London School of Hygiene and Tropical Medicine, and the Institute of Parasitology, Faculty of Medicine, University of Paris. By means of these three courses, the students were assigned to the school for which their knowledge of languages best fitted them.
The practical work in the field, lasting at least two months, was carried out in malarious districts of Corsica, Italy, Spain and Yugoslavia.

The Health Organisation made grants to certain medical officers, nominated by their health administrations, to permit them to follow these courses.

A number of students attended the courses at the expense of their administrations, others were granted scholarships by the Rockefeller Foundation and a few attended at their own expense.

The organisation of these courses evidently filled a long-felt need, and as the demands for this intensive training continued, courses have been organised during every successive year.

Forty-nine physicians from twenty countries attended during the first year, 63 in 1927, 107 in 1928.

In 1929, a similar course was organised at Rome, where a special course in malaria control for civil engineers and agricultural experts was also given.

While a large proportion of the students trained in these courses are medical officers belonging to the staff of European health administrations, a number also came from non-European States, so that European experience and information in the control of malaria was made available to these States through the instrumentality of the League's Health Organisation.

(c) The Health Organisation's System of Liaison as it Affects the Health Administrations of European States.

In 1923, the Health Organisation organised a system of interchanges and individual missions to promote liaison between the various health administrations, and to establish closer contact between these administrations and the League in the field of international hygiene.

The technical purpose of these interchanges and individual missions is to enable the health authorities of the various countries to profit by the experience of their colleagues. In the case of individual missions, the aim is to provide opportunities for training abroad medical officers entrusted with special responsibilities, such as the control of tuberculosis, maternal and infant welfare, etc.

It is a natural result of the considerations set out at the beginning of this report that a majority of these interchanges should have been held in European countries. The same applies to individual missions.

Since the beginning of 1923, nearly 600 medical and health officers have participated in these interchanges or profited from individual missions.

Interchanges for the general study of public health work, or for the study of special subjects (tuberculosis, malaria, rural hygiene) have taken place in most of the important countries of Europe, while medical officers entrusted with individual missions have studied in nearly every European country.

Two interchanges of special interest to Europe were those for (1) port health officers in the Mediterranean, and (2) for such officers in Baltic and North Sea ports.

International courses in hygiene were organised under the auspices of the Health Organisation in London and Paris, the first in co-operation with the English Ministry of Health, the second at the Institute of Hygiene, University of Paris.

The offer of the French Government to the Council in October 1930 to organise an International School of Hygiene and to place it under the auspices of the League, will greatly facilitate the operation of the Health Organisation's system of liaison and will serve to enhance the value of this service to the various health administrations.

(f) Education in Hygiene.

Conference of Directors of European Schools of Hygiene, held at Dresden in July 1930.

The new schools of hygiene in Europe and America are the instruments best adapted to introduce the newer conception of public health work. Consequently, the Health Organisation has been in close touch with these schools from the beginning, by the convocation of periodical conferences of the directors of these schools. The first such Conference was held at Warsaw in 1926 on the occasion of the inauguration of the State School of Hygiene; the second was held in 1927 at Budapest and Zagreb; and a third was held this year in Paris. The object of these conferences was to make a comparison of the

1 Austria, Belgium, Bulgaria, Czechoslovakia, Danzig, Denmark, France, Germany, Great Britain, Hungary, Italy, the Netherlands, Poland, Roumania, Spain, Switzerland, Yugoslavia.
results obtained by the various schools of hygiene, as these institutions represent a new

type of health work in which frequent exchanges of experience and information are

essential.

The faculty of one or more non-European schools of hygiene was represented at the

conferences mentioned above, but a conference was held at Dresden in July 1930, which

included in its membership only directors and other representatives of European schools.

The Dresden Conference was concerned with the special work of the schools of hygiene

in training the future medical officers of health, the auxiliary sanitary personnel and

general public, as well as with the instruction required by the medical student in social

and preventive medicine, and the continuation courses or supplementary training in these

subjects required by the health officer and his subordinate staff to keep them abreast of

modern progress in hygiene.

A series of resolutions was adopted concerning the principal task of schools of hygiene —

the training of the future medical officer of health. These resolutions emphasised the value

and described the nature of the research work to be carried on, set out the minimum

training requirements and contained a number of recommendations concerning the

administration of these schools.

The resolutions concerning the training in hygiene of medical students defined the

subjects in which instruction was required, described the best methods of providing such

training and recommended that practical as well as theoretical courses should be given.

The recommendations relating to continuation courses deal with the character of the

instruction required for the general practitioner, the medical officer of health, the communal

health officer and the subordinate public health staff.

In October 1930, the Commission on Education in Hygiene considered the programme

of the new school at Madrid, and noted that this programme has been established along the

lines recommended by the Conferences held at Paris and Dresden.

A further conference of directors of schools of hygiene will be held at Madrid in May

1931, on the occasion of the official opening of the new Spanish school.

Annex 2.

C.39. M.19. 1931. VII.

[C.E.U.E. 6.]

MEMORANDUM FROM

THE DIRECTOR OF THE INTERNATIONAL

LABOUR OFFICE ON CERTAIN QUESTIONS, DEALT WITH BY THAT

OFFICE, OF SPECIAL INTEREST TO EUROPEAN STATES.

The world of Labour, of which the International Labour Office has assumed the

protection, cannot remain indifferent to any project for a European Union; nor can any

such project be undertaken or come to fruition without its co-operation. Any action with

a view to the development and, so to say, the rationalisation of economic co-operation

between the European nations cannot fail to increase the producing capacity of Europe,

and the workers stand to benefit by such increase in more ways than one. It is an

established fact that the workers' purchasing power — that is to say, their real wages —

everywhere increase when the general progress of production augments the reserves at the

disposal of the community. Any progress due to greater freedom or better regulation

in the circulation of goods, or to the multiplication or expansion of markets, stabilisation

of commercial conditions, better distribution of production to conform with national

resources, increase of industrial output or improvement of agricultural methods is bound

to be reflected in a rise in the standards of living of the workers both in the cities and on

the land.

Moreover, the accumulation of new wealth in the Old World will facilitate the solution

of a number of social problems. It is the financial difficulties of the States and industries

which at present threaten to arrest, or at any rate retard, the progress of certain social

reforms. The growth of capital assets as a result of more rational exploitation of European

resources will smooth the path of new social reforms, and these in their turn by increasing

the power of production and consuming capacity of the masses will help to give a fresh

impetus to economic activity in Europe.

It is unquestionable, therefore, that, in this as in so many other cases, any economic

advance implies social progress to which the International Labour Organisation cannot

remain indifferent.
The list of questions already under study by the International Labour Organisation with a view to fostering their solution includes some which are of an essentially European character. It is no doubt impossible to maintain that any question, strictly speaking, is the exclusive concern of Europe. The principle of the International Labour Organisation, as of the League of Nations, is universality, and there is probably no single labour question which affects only this or that continent. But there are nevertheless questions which are principally the concern of Europe, and this memorandum enumerates the questions of such a character with which the International Labour Organisation has already had to deal.

If there is an industry which calls for the regulation of labour on lines, if not peculiar to Europe, at any rate applicable at the earliest possible date to that continent, it is the coal-mining industry. The effects of the coal crisis were first felt in Europe, and the need for economic understanding is most clamant in the case of the European producers of coal. But economic understanding is only possible in conjunction with an understanding in regard to the conditions of labour. It was in this connection that the question was brought before the International Labour Organisation by the Assembly of the League of Nations in September 1929. It came before our Governing Body, which decided to call a Preparatory Technical Conference to study the conditions of labour in coal-mines with a view to deciding in what cases international regulation was possible. The Conference was to include representatives of the Governments and of the employers and workers in the principal coal-producing countries of Europe. It met in January 1930, and surveyed the whole of the ground which its investigations were to cover, and laid down the initial outlines of an agreement on the hours of labour in the mines. The International Labour Conference itself took in hand the final drafting and execution of this agreement at its session of June 1930. Although its labours were not completed on this occasion, it is to take up the question again at its session in June 1931; and there is every reason to hope that this time it will be able to draft a convention which, though doubtless applicable to coal-mines in all countries of the world, will nevertheless, in the first instance, be applied to the coal-mines of Europe.

Another question which is no doubt of world interest but which calls primarily for solution in Europe is that of the conditions of labour on the shipping of great rivers. An international convention on this question is required primarily for Europe, since it is in Europe that great international river flow, requiring regulation of the conditions of labour on both sides of the frontiers which they traverse. The International Labour Organisation approached the problem in this spirit in conjunction with the International Organisation for Communications and Transit of the League of Nations. A Committee of Experts appointed by our Governing Body met to decide what labour questions in connection with the shipping of the great international rivers were susceptible of international regulation. The Committee considered two questions—the hours of labour and the question of social insurance. It asked the International Labour Office to prepare two comprehensive reports on these two questions; and these two reports will be submitted to the Committee in the course of this year, either together or one after the other. The Committee will then decide whether a proposal should be made to our Governing Body to place one or other or both of these questions on the agenda of a future session of the International Labour Conference.

The International Transport Federation some years ago brought before the International Labour Office the question of the prevention of accidents in connection with the coupling of railway-wagons and the desirability of considering whether the customary methods of coupling should not be replaced on the great European railway systems by the methods of automatic coupling already in use in North America and Japan. This question, again, individual workers of one country, to another and their free establishment at any point on European territory. Europe will never be a real Union, or even an economic Union, until the ground which its investigations were to cover, and laid down the initial outlines of an agreement on the hours of labour in the mines. The International Labour Conference itself took in hand the final drafting and execution of this agreement at its session in June 1930. Although its labours were not completed on this occasion, it is to take up the question again at its session in June 1931; and there is every reason to hope that this time it will be able to draft a convention which, though doubtless applicable to coal-mines in all countries of the world, will nevertheless, in the first instance, be applied to the coal-mines of Europe.

The above are three special questions affecting three particular industries, but interesting a very large number of workers, and which have been for a considerable time under consideration by the International Labour Organisation and are of special interest for Europe, although not exclusively European in character. Reference may now be made to three other questions which, being of even wider range, do not affect special labour groupings to the same extent, but which are nevertheless of primary interest to the European continent.

In the first place, there is the question of the movements of labour from one country to another. If this highly delicate and serious problem appears at the moment capable of solution, it is in Europe that the solution must come; for, in the case of movements from one continent to another, and in particular from Europe to America, the solution appears, unfortunately, very much more remote. The ideal is undoubtedly the free circulation of individuals from one continent to another and their free establishment at any point on European territory. Europe will never be a real Union, or even an economic Union, until this freedom of circulation and establishment has been realised, at any rate on European territory. But, if the establishment of this freedom is to be possible and not economically injurious to any European country, it must not be left to the chance impulses or interests of
individuals or even of nations. It must be regulated, and, indeed, systematically organised. A beginning is being made in this direction by way of bilateral agreements, the number of which is increasing, between the majority of European States. The question is already being studied by the Emigration Commission set up by the Governing Body of the International Labour Office. It will no doubt shortly be placed on the agenda of the International Labour Conference, and it is our firm hope that it will lead to a general Convention determining the guiding lines to be followed in those bilateral agreements which the States will be free to conclude with such other States as they may desire. Such a Convention would be, no doubt, of general applicability; but it is probable that, in practice, it will be limited in the first instance to European countries. It is possible even to conceive of two conventions, one for movements of labour within the Continent and the other for movements of labour outside Europe.

The organisation of the emigration of the European masses inside Europe is thus already under consideration by the International Labour Organisation. It goes without saying that anything which concerns the protection of emigrants, whether in the country from which they come or in that to which they go, or in transit from one to the other, has also been the subject for a long time past of the studies and resolutions of the International Labour Organisation.

There are, however, certain elements of this general problem of protection which are the special concern of the European countries. A single example may be given. The question of compensation for accidents to wage-earners of foreign nationality in connection with their work, and for accidents occurring on the territory of any European country, is governed by an International Labour Convention passed in 1925 by our Conference on the basis of equal treatment for foreigners and nationals. Of the twenty-six States which have ratified this Convention up to the present, twenty-two are European States. It may be said that virtually all the European countries are bound by this general Convention. But how much more definite and how much more satisfactory it would be, both for the States and for the victims of accidents, if there were an executory convention which, while conforming with the provisions of the general Convention, at the same time adjusted the principle of equal treatment to the requirements and possibilities of the various European countries. The general Convention itself, however, tends towards a solution on these lines, since it leaves questions of application to be settled by special agreements between the contracting parties themselves. In this matter, as in many others, the course to be followed by the European Union would seem to be to adapt general rules to the particular circumstances arising out of the closer solidarity existing among the European States. Moreover, the work which has been done or which is going forward in regard to compensation for occupational accidents may, in the near future, be continued with reference to the retention of the right acquired, or in process of acquisition, to a pension on account of invalidity, old age or death, by wage-earners who have worked in several countries and been insured under various national insurance schemes.

The evil of unemployment, which at present is so grievous and so widespread, is prevalent throughout the world. Some of its aspects, however, are specifically European. Many of its causes are economic. It has long been recognised that, for example, frequent modifications of Customs tariffs bring about sudden changes in markets and in the output of numerous industries which exist in all European countries. A European Union, even if its first effects were merely to stabilise existing tariffs as between European States, would tend to regularise trade between those countries and would thereby eliminate certain causes of uncertainty as regards output and the employment of labour. If a further step were taken by the reduction or even complete abolition of tariffs between European countries and the establishment of a European Customs Union, the industrial undertakings of that continent would obviously find fresh factors making for stability, not only in the vast home market which would thus be opened up to them, but also in the possibilities of reaching agreement among themselves for the better adaptation of their output to European needs, and, further, of reaching agreements with the undertakings of other continents with a view to eliminating ruinous competition.

Such a rationalisation of European economy would of course—for a time at all events—mean the extinction of certain "artificial" industries which have grown up in some countries behind the shelter of Customs barriers and could not survive a system of complete free trade. Such effects would, for the first years at all events, necessarily prove prejudicial to the employment of many workers. They would call for a number of measures of compensation and adaptation for the protection of the working classes; these would be labour questions peculiar to Europe. That point has, of course, not yet been reached; for the moment, the matter is only being studied. The League of Nations Assembly made a request to that effect to the International Labour Office at its session in September 1930. In response, the Governing Body of the International Labour Office asked the Office to submit to its Unemployment Committee as soon as possible a number of preliminary reports. The Committee will meet on January 26th and 27th, 1931; it will receive from the Labour Office seven preliminary reports on the principal aspects of the question.

Lastly, the big questions of international concern which are now under consideration by our world institutions include one which is of particularly vital interest to Europe—the agricultural crisis. Strictly speaking, of course, this is a world crisis. Nevertheless, it is peculiar to Europe too, since Europe is divided into over-industrialised countries,
countries which are almost wholly agricultural, and, in the intermediate position (though it cannot yet be said that they form an actual link), semi-industrial and semi-agricultural countries, such as France and, to a certain extent, Germany, Czechoslovakia, Switzerland and Italy. In Eastern and Central Europe there is an agricultural bloc which is suffering from the present depression and is looking for salvation to a European organisation. It is a complex question, and the International Labour Organisation must have a say in it, since it must know how far the present agricultural depression affects living conditions among agricultural labourers, tenant farmers and smallholders (who are to some extent workers), and also how far any solution of the problem would affect labour conditions. Accordingly, at the last meeting of the Joint Committee which it set up some years ago with the International Institute of Agriculture, the International Labour Office raised the question and consulted a meeting of experts as to the real nature of the present depression and its effects on living and labour conditions among agricultural populations. It will continue this work.

These are the questions at present being studied by the Labour Organisation which primarily affect the interests of the continent of Europe, though there are doubtless many others which the Organisation has not yet taken up.

Does this mean that we think it desirable, or for that matter possible, for a European Labour Organisation to be set up within the Labour Organisation itself to deal with these problems? That is another question, and we should like to conclude with a few words on the subject.

Under the Peace Treaties, the International Labour Organisation is the institution empowered to study and settle international questions relating to labour conditions. It was provided with a constitution and a system of procedure adapted to the nature of the problems with which it has to deal. While not going into details, we must mention the characteristic features of this constitution and procedure.

The most original feature of the constitution of the International Labour Organisation is that the representatives of the employers and of the workers take a direct share in its activities. The Governing Body of the International Labour Office is composed of twenty-four members, twelve of which represent Governments, six the employers and six the workers. The International Labour Conference comprises four delegates for each State, two of which represent the Government and two the employers and workers respectively. Through the balance established between these various elements, the organs of the International Labour Organisation provide a fair representation of the individual parties concerned, while at the same time giving preponderance to the Governments, which are qualified to defend the interests of each nation as a whole.

The characteristic feature of the International Labour Organisation’s procedure is the essential part played by the legislative authorities of each Member State. It is these authorities which, in each country, are called upon to approve or reject the draft conventions adopted by the International Labour Conference and to sanction them by the international undertaking which is the outcome of ratification.

The machinery thus set up seems to be really well adapted to the purposes of the International Labour Organisation. The number of ratifications obtained after ten years’ work proves at all events how successful the institution has been, despite the special difficulties inherent in labour problems. Hence it seems self-evident that labour questions particularly affecting European States could more usefully and appropriately be treated by the special machinery of the International Labour Organisation than through any diplomatic procedure that might be set up with a view to enabling the European Union to function.

And here we must meet an objection which immediately suggests itself. Since the International Labour Organisation is a worldwide body, does not its worldwide nature preclude any geographical limitation of the exercise of its functions? This point must be put more clearly. True, the International Labour Organisation is worldwide — that is, indeed, one of its essential features. Nevertheless, it is not necessarily unified on that account. The conventions adopted by the International Labour Conference are most often of a general character, it is by no means impossible to establish less universal rules. Already there are a number of international labour conventions which are special in nature by reason of their object itself — e.g., the Convention on forced “native” labour and all the conventions on labour at sea. Besides this technical specialisation, if it may be so termed, a geographical specialisation is also conceivable. There is no reason why the Labour Conference should not adopt appropriate systems of procedure for this purpose.

As the work of the International Labour Organisation develops, the need becomes more and more evident for its action to be diversified by being adapted to the particular nature of the problems to be solved. Certain labour questions have been found to be of special concern to Europe, and it may therefore be desirable to provide for them a solution taking their continental character into account.

The International Labour Office will describe in greater detail, if necessary, the methods of procedure enabling such labour questions as may appear peculiarly European to be suitably studied and an appropriate solution to be found for them. It is essential, however, to emphasise here and now the necessity of utilising for this purpose the machinery set up by the treaties, which has worked successfully for ten years.
There can be no question of withdrawing from the International Labour Organisation the general powers it holds under the treaties, nor of setting these powers against those which the European Union will have to possess. The two powers must be co-ordinated. One of the first problems that arise in connection with the projected European Union consists, therefore, in preventing any rivalry between the two powers, which would be dangerous alike for international and for social peace, and to establish close co-ordination between the work of the International Labour Organisation and that of the European Union in the field of the protection of labour.

In this work, which it considers indispensable, the International Labour Office will always be prepared to afford its wholehearted co-operation.

Annex 3.
C.10.M.7.1930.VII.
[C.E.U.E.4.]

LETTER FROM THE GERMAN GOVERNMENT TO THE SECRETARY-GENERAL OF THE LEAGUE OF NATIONS.

Berlin, December 20th, 1930.

[Translation].

In reply to your Circular Letter 299.30.VII, of October 30th, 1930, and the communication C.E.U.E.1, of December 1st, 1930, I have the honour to acquaint you with the following on behalf of the German Government:

The German Government considers that the principal task of the January session of the Commission of Enquiry for European Union will consist in taking decisions in regard to the drawing up of a programme of work.

Further items for the agenda arise out of the resolutions of the Commission of Enquiry of September 23rd, 1930, such as the question of the extent and composition of the Bureau, the participation of States which are not Members of the League of Nations, and the Secretary-General's report.

The points on which the Secretary-General will have to report, in accordance with the resolutions of the Commission of Enquiry referred to, include, in particular, the Governmental Conference on economic questions which was held in Geneva in November 1930. The Assembly of the League referred to the connection of this Conference with the work of the Commission of Enquiry in a resolution of October 2nd, 1930 - 11. The German Government is therefore of opinion that the results of this Conference should come up for discussion.

The German Government reserves the right to make further proposals on particular questions at the meeting itself.

(Signed) CURTIUS.

Annex 4.
C.706.M.298.1930.VII.
[C.E.U.E.3.]

NOTE FROM THE BELGIAN GOVERNMENT TO THE SECRETARY-GENERAL OF THE LEAGUE OF NATIONS.

Brussels, December 11th, 1930.

1. It is desirable to make a list of the questions which the League of Nations has already taken up and which, in view of their nature, might usefully be made the subject of special study from the European point of view.

Some of these questions are essentially European questions, and were raised as such from the outset. Others have been considered from a world point of view, but have a European aspect to which it would be desirable to give special consideration. If the study of these questions were limited to this Continental aspect, it would be possible to overcome the difficulties which have so far in several cases delayed their solution.

2. In this connection the Belgian Government desires to call attention to the question of the transmission and transit of electric power.
Recent technical advances in the field of electricity have led to a considerable development of the long-distance transmission of power. This has become a necessary condition for the economical utilisation of sources of electric power. For some years past the chief industrial countries which have common frontiers have been linked by high-tension lines, and the exchanges between them are increasing in importance.

These exchanges and the establishment of the systems in question are governed by national legislation, which in some cases have a restrictive effect. We must already look forward to the time when these exchanges can no longer be limited to two neighbouring countries, but when they will have to extend to the whole Continent, which will have to be covered by an immense network of power distribution. It is important that national legislations should not stand in the way of such a programme and that a definite statute should be established to enable it to be carried into effect.

The League of Nations has already touched upon the problem on the basis of Article 23 of the Covenant. The First General Conference on Communications and Transit, held at Barcelona in March 1921, recognised that it was desirable that States possessing an abundant supply of electrical power should concede a part of it to States in want thereof, and recommended that this question should be examined. At the Second Conference, held at Geneva in November and December 1923, two Conventions were drawn up — one relating to the development of hydraulic power, and the other to the transmission of electric power.

These Conventions were to apply to the whole world. Their provisions had little immediate practical importance. Only four or five European countries ratified them, and consequently their entry into force could not have any real effect.

The Belgian Government considers that, under present technical conditions, such a problem is essentially a Continental one; that its solution on the European plane would be of immediate practical value; and that, if continued on that plane, the work previously started by the League of Nations might lead to useful results.

3. In the same connection, the Belgian Government thinks it advisable to call the attention of the Commission of Enquiry for European Union to the draft Convention on the Treatment of Foreigners. The Conference which studied this question comprised the representatives of forty-seven countries. It was unable to reach an agreement at its first session. In its final Protocol the Conference directs attention to the expediency of establishing the proposed Convention on the most liberal bases. Following this recommendation, certain European Governments have entered into negotiations among themselves. The Belgian Government proposes to inform the Commission of the results of these negotiations as soon as they have led to the acceptance of fundamental principles representing a genuine advance on the present situation.

4. The essential object of the European Union of which it is proposed to lay the foundations is to establish a system of constant co-operation among the peoples of Europe. The European Union represents an attempt to strengthen the links uniting these peoples and to develop their mutual relations, but it implies primarily that every European country should refrain, as far as possible, from taking any steps that might injure other European countries.

It must, however, be recognised that action taken on grounds of national interest tends as a rule to be somewhat neglectful of the interests of other nations. This is particularly true in economic matters during a period of crisis. Faced by serious difficulties, the authorities in every country act in isolation by a kind of reflex instinct of self-preservation. Thinking only of the internal position, they consequently find themselves injuring the interests of their neighbours; and thus, arousing resentment and giving ground for reprisals on the part of those neighbours, they not merely fail to cure the trouble but very likely aggravate it.

In the field of tariff policy, the Commercial Convention concluded at Geneva on March 24th, 1930, laid down a principle which ought to be adhered to. If a contracting State decides to increase existing duties or to impose new duties, a procedure for notification and redress is established for the benefit of the other contracting States. The latter are thus enabled to uphold their own interests and to ask for any redrafting or adjustment that may be necessary.

This principle might usefully be extended to other subjects connected with the exchange of goods, the circulation of capital, the treatment of persons and the system of communications and transport.

There can, of course, be no question of encroaching upon the prerogatives of Governments or Parliaments. The example of the Commercial Convention shows, however, that it is possible, within those limits, to arrange for consultations and to allow for necessary adjustments to prevent measures taken in the national interest from injuring the interests of other countries and being regarded by them as vexatious.

The Belgian Government accordingly suggests that the Commission should consider to what subjects and in what manner the application of the principle defined above might properly be extended.
MEMORANDUM FROM THE DANISH GOVERNMENT.

Copenhagen, January 3rd, 1931.

[Translation.]

With reference to Circular Letter 299.1930.VII, dated October 30th last, from the Secretary-General of the League of Nations concerning the Commission of Enquiry for European Union, the Danish Government has the honour to forward the following suggestions to the Secretary-General in the hope that they may be taken into consideration at the Commission’s forthcoming meeting on January 16th:

The Commission will be divided into three Sub-Committees for the study of the following subjects:

1. The organisation of European co-operation;
2. The principal questions of a general political character, which will have to be submitted to the League of Nations for decision in the near future and for the solution of which it may appear desirable to undertake separate negotiations in advance between the countries of Europe;
3. The questions of an economic character which are at present on the League’s agenda and the solution of which is hampered by difficulties arising chiefly among European countries.

The Sub-Committees will be constituted as follows: The four great Powers will be represented in each, and the other seats will be distributed among the other countries, each country being represented on at least one of the three Sub-Committees.

The Sub-Committees will be authorised to invite the European States not members of the League to take part in their discussions.

The Sub-Committees will submit their reports to the first meeting of the Commission of Enquiry for European Union, which will be held either in May, at the time of the Council session, or immediately before the Council session in September, at the time of the Assembly of the League of Nations.

BELGRADE, December 18th, 1930.

I have the honour to acknowledge receipt of your Circular Letter 299.1930.VII, of October 30th, 1930, together with the documents relating to the organisation and work of the Commission of Enquiry for European Union, and I note the decision taken in regard to the forthcoming meeting of the Commission of Enquiry in January 1931 at the Secretariat of the League of Nations at Geneva.

You were good enough to suggest that I should communicate to you on behalf of the Yugoslav Government any information or suggestions I might think suitable for inclusion in the agenda of the next meeting of the Commission of Enquiry. For the moment, I have no proposals to make in regard to the agenda of the meeting, but I reserve the right to make such proposals at the meeting itself.

I would merely observe that, in the sphere of ideas and problems with which the Commission of Enquiry will have to deal, there is one circumstance which calls for our attention. I refer to recent activities of the League of Nations itself, which appear to indicate the direction that the efforts of the League might take in the work of establishing and organising the European Union within the League itself — apart from other activities of the European States which contribute directly to bringing them closer together. For example, the Conference for the Unification of River Law, held at Geneva under the auspices of the League from November 17th to December 9th last, which led to the conclusion of three Conventions, was attended only by European States. The same was the case with the Second International Conference with a View to Concerted Economic Action, which