45 A.—4.

Let us consider them under three heads. The first of these is common international effort for objects which all admit to be good, but which are the special business of no nation in particular. For example, there are abuses which have to be stopped—the traffic in opium, the illegitimate traffic in arms, the traffic in women and children. With all these objects there have been attempts to deal before the League came into existence. They have not always been satisfactory, sometimes they have been wholly ineffectual. I cannot doubt that a far greater measure of success will attend the organized effort of the nations of the world, acting through the League organism, than by any machinery which diplomacy could possibly set up.

## INTERNATIONAL COURT OF JUSTICE.

If again we turn from abuses which have to be stopped to objects which it is desirable to promote we learn the same lesson. Consider, for example, the International Court of Justice. The establishment of such a Court has long been the desire of statesmen; many efforts have been made to create it; but these efforts have invariably failed, and we may surely congratulate ourselves on the fact that the International Court is now in process of creation through the efforts of the League.

BARCELONA CONFERENCE ON INTERNATIONAL TRANSIT.

Again, the great Conference which met at Barcelona, under the auspices of the League, to consider the question of international transit by railways, rivers, and other waterways, obviously dealt with an international problem of the first magnitude. It was the creation of the League, and without the League could hardly have come into being.

## THE ECONOMIC CONDITION OF EUROPE.

But consider another and yet more pressing subject—the economic condition of Europe and of the world. We have obtained peace, but we have not yet obtained the fruits of peace. The decay of credit and the paralysis of production imperil the whole industrial system of the civilized world. I do not suggest that for so great an evil the League of Nations could provide any sufficient remedy; but some contribution it has been able to make to the solution of these difficulties—a contribution which, however modest, could, so far as I can see, have been made by no other method. A Financial Conference was summoned by the League at Brussels in the course of last year. The Conference made some suggestions of great value. These we are endeavouring to apply, particularly in the case of Austria; and any measure of success which we can obtain will have beneficial effects not only in Austria itself, but throughout the whole industrial world. Every part of that world is more or less organically connected with every other part; and what is required now is that this economic organism, paralysed and well-nigh destroyed by war, should resume once more its vigorous activities.

## DANZIG AND THE SAAR VALLEY.

But there is another and wholly different set of functions thrown upon the League by the Treaty of Versailles—functions which cannot be carried out at all by any single Power, nor carried out effectually, so far as I can see, except by the League itself. I refer to the government of certain exceptional areas which are not the less important, from an international point of view, because they happen to be small. I refer to the Town of Danzig and the Valley of the Saar.

The Town of Danzig is economically inseparable from Poland, but in population is predominantly German. The war divided it politically from Germany, while the Treaty of Peace recognized its intimate relations with Poland. At the same time its independent existence as a separate and autonomous community under the protection of the League was fully secured. The League is responsible for maintaining its Constitution, though not for framing it. But the Council felt that it could not undertake to maintain it without satisfying itself that it was just and workable. In its view the Constitution, as originally designed, was neither just nor workable. But through the efforts of the Council fundamental changes are in process of accomplishment, which will, I trust, secure the good government of the city and promote the most amicable relations with the Polish hinterland.