

SECOND COMMITTEE.

The Second Committee is concerned with questions covered by the general term "Technical Work of the League." Under this heading, in 1935, the Assembly had before it the following subjects:—

- (1) Communications and Transit (Documents A. 20 and A. 47);
- (2) The Health Organization (Document A. 48);
- (3) League Committees (Documents A. 6 and A. 70);
- (4) Economic and Financial Questions (Document A. 71);
- (5) Nutrition and Agriculture (Document A. 61).

Brief comment will suffice for the first three of these, the discussions relating to the fourth and fifth items being of greater interest to New Zealand.

In reference to communications and transit the Assembly took preliminary steps towards putting under way a fact-finding survey of measures for co-ordination of transport in the principal countries. It will necessarily be some time before the outcome of such a survey can be made known, but with the wide variety of experience to be drawn upon, and in a problem which has considerable elements in common in widely scattered countries, there is little doubt that the survey can be well worth while.

In the same sphere renewed attention was given to the problem of pollution of the sea by oil, a matter which the United Kingdom brought before the Assembly in 1934. Since then comprehensive inquiries have been made by the League, revealing a great measure of agreement in holding that corrective action is both desirable and feasible. The New Zealand Government was amongst those indicating their readiness to join in appropriate common action, and, as on the previous occasion, the representatives of the United Kingdom stressed the urgency and importance here attached to the problem. The assembling of data and of governmental views has now reached the stage at which the drafting of a convention and the convening of an appropriate conference to finalize the matter were deemed to be justified; and a formal resolution to this effect was adopted.

The continued work of the Health Organization of the League is recorded in the reports of a detailed and technical character, which reports have been forwarded to appropriate agencies of government concerned.

Housing is one subject of interest now being examined by the League's Health Organization of interest for its bearing both on social welfare and on the possible stimulation of industrial activity; the widespread and practical attention that is being paid to these considerations suggests that a useful store of information will be collected and disseminated.

The form and procedure of Committees of the League of Nations came under review on the presentation of a report made by a special Committee which had been set up pursuant to a resolution of the 1934 Assembly. That report, and the detailed examination given it during the 1935 Assembly, are an indication of the scrutiny applied to maintaining the administrative competence of the League's machinery.

ECONOMIC AND FINANCIAL QUESTIONS.

Under this comprehensive heading the League, and its Second Committee more particularly, considered recent facts and trends in relation to the world-wide depression. Geneva was, in a sense, a watch-tower from which the course of economic events could be viewed and analysed: the Assembly was the occasion for a stock-taking and an appraisal of developments in the economic life of the world.

Three reports published by the League in 1935 provided the basis of discussion, these being intitled—(i) inquiry into clearing agreements; (ii) considerations on the present evolution of agricultural protectionism; and (iii) remarks on the present phase of international economic relations.

Differing in their approach, these three documents agree in presenting a picture of the disorder into which international trade has fallen and of the extent to which the relatively free and competitive economic system of the nineteenth century has, for the present at any rate, become a thing of the past; they agree in observing the limits to recovery so far experienced; and in frankness it must be said that they also are closely akin to one another in holding out very little hope of an early return to what we have regarded as normal prosperity.

It is, of course, true that in the past year or two internal conditions in the principal countries, with the notable exception of those which still adhere to the gold standard, have somewhat improved; industrial activity and employment have increased, budgetary problems have become less acute, and prices of some important raw materials have risen. But, as careful observers are obliged to remark, recovery has been patchy; the hoped-for improvement in trade has not eventuated, the volume of world trade still standing substantially below its 1913 and its 1929 level—by value the total trade of the world in 1934 was only two-thirds of the 1921 value (the decline being due to a fall of approximately one-fourth in quantity and of three-fifths in prices)—and the contraction still continues; a hard core of unemployment remains, untouched by recent improvements; and part at least of such industrial improvement as there has been must, regrettably, be ascribed to rearmament activity.

The dilemma that constantly confronts the advocate of a general international attack on trade obstacles is that States are unwilling to remove their protective barriers while monetary factors remain uncertain, and unwilling also to bind their currencies to rigid exchange rates while trade itself remains in an "abnormal" state. Thus the path of return to the old normal is effectively blocked; and hence the role of the League in economic recovery is severely limited in potential value. One feels, too, that the causal connection between the depression and the so-called artificial measures of governmental control is often tacitly assumed to be the converse of what was in fact the case, and that reiterated emphasis on those measures has only the limited value of pointing to symptoms.

The delegate for France in 1935 endeavoured to carry discussion a stage forward when he suggested that, as a step towards at once reducing trade barriers and stabilizing currencies, countries might enter