cordial to all efforts towards improved nutrition, linked as it is with the notion of benefiting agriculture; yet this cordiality of sentiment is not to conceal the truth that the practical achievements possible to the League of Nations in this field are of obviously limited scope. The League can usefully assemble facts and statistics, as it has in the reports already mentioned. It can collect, analyse, and distribute information. It can perform the function of a clearing-house, " But "—here I again quote Sir James Parr's words at the Second Committee—" for the most part Governments must themselves take responsibility for required action in their respective countries. It will be the reverse of helpful if, merely in the fact that the League of Nations is active in Geneva, Governments find excuse for delaying practical action themselves."

Communications and Transit.

The review of League activities between the 1935 and 1936 Assemblies covers subjects under this heading which, with one exception, have but little direct interest to New Zealand—such matters as frontier railway traffic, control of road traffic crossing national frontiers, disputes concerning the International Commission of the Danube, and concerning the railways of the former Austro-Hungarian Empire, and other essentially European problems.

The exception, with some relevance for New Zealand, is the proposed Convention on the Pollution of the Sea by Oil. The New Zealand and twenty-eight other Governments had submitted their observations on the draft prior to the 1936 Assembly. These pave the way for a conference leading to a convention and Final Act to deal with the nuisance.

League Committees.

The constitution, procedure, and practice of the Committees of the League of Nations is another matter of largely formal character that comes within the scope of the Second Committee. The purpose is the necessary one of keeping a watchful eye on the machinery that is evolving to deal with various parts of the League's work. The 1936 proceedings call for no special comment here.

Economic and Financial Questions.

More difficult to define and limit in scope than any of the foregoing subheadings are the " economic and financial " problems that engaged the Second Committee's attention. Their scope is indeed wide enough to cover not less than the economic state of the world, with its complex of issues that overflow into non-economic spheres and so link up with the central issue of the preservation of peace. So viewed, having regard to the economic causes of present discontents and to the economic form in which other causes sometimes find vent, the work covered by this Committee can properly be regarded, potentially at any rate, as embracing the main constructive purpose of the League of Nations.

In commencing, the Second Committee had before it three reports—one on the present phase of international economic relations; a second on the most-favoured-nation clause; the third a note by the League's Secretary-General on the economic situation. The first noted the regrettable limits to trade and industrial recovery already achieved or in sight and, on one aspect of recent "recovery," it sounded the warning that "a revival in economic activity brought about by the large-scale production of new implements of war cannot be anything but illusory and precarious." It commented on the exceptional difficulties pressing upon countries which still adhered to gold currencies, experience showing that in modern social and economic life the requisite process of deflation cannot be carried through. The connection was noted between exchange rates at inappropriate levels and artificial restrictive expedients against trade. And, looking back to the old normal in free movement of goods, the report favoured all appropriate steps (but not a specially convened world conference) to restore international currency stability and to liberate international trade from restrictions.

The report on the most-favoured-nation clause in commercial treaties likewise looked to the removal of trade barriers as the way out of present difficulties, including the complexities which quotas and exchange controls have brought to the administration of the usual most-favoured-nation clause.

The Secretary-General's note extended to more general economic matters. In regard to production, it summarized the statistical evidence of the world-wide recovery in progress since 1932, at the same time noting the unevenness of the progress; on latest 1936 figures, for example, the indices of industrial production (base 100 in 1929) varied from 351·9 in the Union of Soviet Socialist Republics (182·9 in 1932) to 67·9 in the Netherlands (62·3 in 1932). Contrasted with these production figures is the failure of trade to keep pace with the general improvement in business. There has been but a slight increase in the volume and value of external trade; though some satisfaction is derived from observing that trade is no longer sinking, it is evident that in this sphere uneasiness persists. Again, currency adjustments are endorsed as a means of rendering easier the solution of international economic problems.

The foregoing will suffice to show that the steps taken in September and October, 1936, towards the devaluation and possible stabilization of a number of currencies were welcome at Geneva. The development, of course, tended to dominate the proceedings of the Second Committee. It was then that one felt the doubts, to which I have previously referred, as to whether any adequate solution to the world's pressing economic problems can be found by means merely or mainly of currency and exchange-rate adjustments. That these adjustments may incidentally be necessary, nobody would deny. But that they are enough in themselves is a contention, I think, impossible to accept and one that is closely akin to the notion that any country's internal economic problems can be solved by recourse simply to novel monetary expedients.