

1937-38.

NEW ZEALAND.

THE LEAGUE OF NATIONS.

REPORT OF THE REPRESENTATIVE OF THE DOMINION OF NEW ZEALAND ON THE NINETY-EIGHTH, NINETY-NINTH, AND ONE-HUNDREDTH SESSIONS OF THE COUNCIL OF THE LEAGUE OF NATIONS HELD AT GENEVA IN THE YEARS 1937 AND 1938.

Presented to both Houses of the General Assembly by Command of His Excellency.

NINETY-EIGHTH AND NINETY-NINTH SESSIONS OF THE COUNCIL OF THE LEAGUE OF NATIONS.

New Zealand Government Offices,
415 Strand, London, W.C. 2, 17th October, 1937.

SIR,—

The rules of procedure of the Council of the League of Nations require that the Council should meet in ordinary session four times a year, and that one of the sessions should begin three days before the ordinary meeting of the Assembly. Accordingly I arrived in Geneva with my staff (Mr. R. M. Campbell, Mr. C. A. Knowles, Miss J. R. McKenzie, and Miss E. M. Hannam) on the evening of the 9th September in order to be present at the first meeting, which had been called for the following morning. The agenda of the session is Document C. 320 (1), M. 215 (1), 1937.

On the proposal made by the representative of the Union of Soviet Socialist Republics on the 10th September, the item "Unification of Statistics relating to Road Traffic Accidents" was added, and at the meeting held on the 14th September there was also added the appeal of China to the League under Articles 10, 11, and 17 of the Covenant (see Documents C. 376, M. 253, 1937, VII, and C. 377, M. 254, 1937, VII).

Some of the items subsequently came before the Assembly, and with these I will not deal in detail, unless circumstances should require a fuller account, but will merely refer to them in the order in which they were taken. The item "Request of the Iraq Government in Accordance with Article II, Paragraph 2, of the Covenant," which concerned a frontier dispute with Iran, was withdrawn, the dispute having been settled by direct negotiation between the parties.

The first meeting was a private one. At it the agenda was adopted and there was some discussion on the programme of work. The president, M. Negrin, the Prime Minister of Spain, stated that when his country's appeal to the League (Document C. 335, M. 226, 1937, VII) came before the Council he would vacate the chair in favour of another representative.

Mr. Eden, who represented the United Kingdom, informed the Council that he would make at the first public meeting a statement concerning Palestine. The representative of Roumania, who is Rapporteur to the Council on mandate questions, observed that it was his intention to suggest the appointment of a small Committee of the Council to deal with the matter. The Polish representative, whose country has a direct interest in the question, since it is from Poland that many of the Jewish migrants to the Holy Land are drawn, supported the Roumanian representative's proposal, but at the same time expressed the hope that States directly or indirectly concerned might be allowed to submit their observations to the small Committee. Mr. Eden thought that there would be advantages in adopting the Polish representative's suggestion, but he felt it was essential that the Committee should be composed of persons whose countries had no direct interest.

The Secretary-General informed the Council of the receipt by him of a communication from the Minister of Foreign Affairs of the Argentine Republic, conveying a resolution of the Pan-American Conference for the Consolidation of Peace held in Buenos Aires in December, 1936, providing for the transmission to the League of the decisions of the Conference. The Secretary-General added that these decisions would be printed in the official journal of the League.

During the week-end the Conference on Mediterranean States was in session at Nyon, and the Council did not meet again until the evening of the 14th September. At the two meetings (one private, followed by a public one) held on this date nine items were considered, and with these I will propose to deal:—

BUDGETARY AND ADMINISTRATIVE QUESTIONS.

(a) *Gift to the League of Nations.*

Japan is no longer a member of the League, but there are certain technical activities of the organization from which she derives benefit, and her Government offered to provide the sum of 36,000 gold francs (50,897 Swiss francs) as a contribution towards the expenses of such activities during the current year. The document before the Council on the subject was C. 355, 1937, X. It contains a brief report by the representative of China. The Council passed the resolution with which the report concludes, accepting the offer.

(b) *Appointment of Auditors of the Accounts of the Eastern Bureau of the Health Organization.*

The representative of China in his report, Document C. 354, 1937, X, recommended a renewal of the appointment of Messrs. Gattey and Bateman, chartered accountants, of Singapore. The recommendation was accepted by the Council.

(c) *Secretariat Appointments and Promotions since the Last Session of the Council.*

The Council took note of the four appointments, particulars of which are given in Document C. 328 (1), 1937.

APPOINTMENTS.

(b) *Administrative Tribunal.*

The recommendation of the Rapporteur, the representative of China, that M. Montagna and Jonkheer van Ryckevorsel be reappointed Judge and Deputy Judge respectively of the Administrative Tribunal, was accepted by the Council, and the term was renewed for three years from 1938 (Document C. 347, 1937, V).

PERMANENT COURT OF INTERNATIONAL JUSTICE: ELECTION TO A VACANCY.

It was only last year that M. Hammarskjöld, a Swede, who had served the League for many years, first in the Secretariat and later as Registrar of the Permanent Court of International Justice, was elected a Judge of the Permanent Court. He had little opportunity for serving in the Court in the highest capacity, for he died in July last. To fill the vacancy thus caused requires, firstly, nominations by the national groups of the various countries entitled to nominate, and, secondly, simultaneous election by the Assembly and the Council sitting separately. It was, however, impossible to provide for election at this Assembly, since sufficient time had not elapsed within which to receive nominations. Accordingly, the Rapporteur to the Council, who was the President, proposed that the election should be held during the Assembly's ordinary session in 1938, unless there were an earlier session at a date which allowed for preliminaries being fulfilled. The Council agreed to the recommendation (see Document C. 372, 1937, V).

The Council then went into public session. Before dealing with the remaining items, the President spoke a few words of eulogy of the late M. Rivas-Vicuna, whose recent death had deprived Chile of a statesman who had rendered his country long and distinguished service, especially as its representative on the Council and at the Assembly of the League of Nations. The President was followed by other speakers whose long association with the deceased enabled them to appreciate his fine qualities.

SIGNATURE AND RATIFICATION OF CONVENTIONS CONCLUDED UNDER THE AUSPICES OF THE LEAGUE OF NATIONS.

The Rapporteur, the President himself, brought before the Council Document C. 374, 1937, V, covering the annual printed Document A. 6 (a), 1937, Annex I, V, which is an Assembly document and annex to the Secretary-General's report on the year's work. No member of the Council offered observations, but I may here say that the volume is of considerable use for reference purposes, for it enables one at a glance to ascertain which countries have signed and/or ratified or adhered to any Convention concluded under the auspices of the League of Nations. With the documents just mentioned should be associated Document A. 20, 1937, V. It furnishes the results of inquiries made by the Secretary-General of states regarding their intentions in respect to the various conventions. The nature of the inquiry is shown in the note of the Secretary-General which prefaces Document A. 20, 1937, V.

SECOND DRAFT OF A CONVENTION FOR SUPPRESSING THE EXPLOITATION OF THE PROSTITUTION OF OTHERS.

The first draft Convention, which was submitted to Governments, recently underwent revision at the hands of the Advisory Committee on Social Questions, and the Council decided to instruct the Secretary-General to submit the second draft to Governments members and non-members of the League for new examination.

The question of convoking an inter-governmental Conference for the conclusion of a Convention cannot therefore be considered this year, so the Rapporteur, the representative of Chile, suggested its postponement to 1938, a suggestion in which the Council concurred (see Document C. 357, 1937, IV). The report of the sub-committee which drew up the second draft is numbered C. 331, M. 223, 1937, IV, and it also contains the text of the second draft.

ASSISTANCE TO INDIGENT FOREIGNERS AND THE EXECUTION OF MAINTENANCE OBLIGATIONS ABROAD.

The past history of this matter is briefly summarized in the report of the representative of Chile (Document C. 359, 1937, IV), with which should be read Document C. 341, M. 231, 1937, IV, which furnishes the observations of Governments on the second draft of the Multilateral Convention on Assistance to Indigent Foreigners. The observations did not hold out much hope that a conference, if called early, would be successful, and it will be necessary for the Committee of Experts to consider the replies with a view to reconciling differences. Apart from this aspect, much useful material has recently been collected on the method at present in force in certain countries to assist indigent foreigners, and this material cannot but be helpful to the Committee in its investigations. The Council therefore decided not to call a diplomatic conference, but to give the Secretary-General power to call the experts together at a date not later than early 1938. Under the resolution which embodies this decision the Council "Invites the Committee of Experts to make proposals to the Council as to any measures which appear practicable to improve through international action the precarious situation of indigent foreigners."

INTELLECTUAL CO-OPERATION.

The Rapporteur, the representative of France, brought before the Council his report on the work of the Nineteenth Session of the International Committee on Intellectual Co-operation (Document C. 371, 1937, XII). The Report of the International Committee itself is Document C. 327, M. 220, 1937, XII, and there should be considered with it the Report of the Governing Body of the International Institute (C. 326, M. 219, 1937, XII). As particulars of the work on intellectual co-operation are always submitted to the Assembly and examined by its Sixth Committee, and as the resolution passed by the Council provides for this, it would seem more appropriate to reserve for the report on the Assembly any observations I may desire to make.

PERMANENT MANDATES COMMISSION.

(a) *Report on the Work of its Thirty-first Session.*

The report of the Rapporteur, who is the representative of Roumania, is Document C. 360, 1937, VI, whilst the report of the Commission itself is Document C. 274, M. 178, 1937, VI. At its Thirty-first Session the Permanent Mandates Commission examined the last annual report on the administration of Tanganyika, the Cameroons and Togoland, South West Africa, New Guinea, and Nauru. New Zealand is, of course, interested in Nauru, but as the Rapporteur did not find it necessary to cite any special considerations in relation to the administration of the Territory I will leave the documents to speak for themselves. The report was accepted by the Council, which passed the resolution with which it concludes.

(b) *Report on the Work of its Thirty-second (Extraordinary) Session.*

The Rapporteur's report (Document C. 370, 1937, VI), should be read in conjunction with the report of the Permanent Mandates Commission (Document C. 330, M. 222, 1937, VI).

The Rapporteur confined himself to the ordinary aspects of administration as revealed in the mandatory powers' last annual report, observing that the Council would no doubt wish to make a separate examination of the problem of the status of Palestine. It was this status of Palestine (with which I shall briefly deal in a moment) that overshadowed the various phases of administration; but there was more than one reference to the decision of the mandatory power to reduce Jewish immigrants into Palestine to 1,000 per month for eight months commencing on the 1st August, 1937. This decision has given rise to criticism, especially in Jewish circles, as contrary to the terms of the mandate; but, as the Chairman of the Mandates Commission himself remarked in the course of the debate in the Council, it was perfectly clear that the mandatory power should be empowered to take such measures as were necessary, though, of course, so far as these ran counter to the explicit terms of the mandate, they would be only temporary and provisional in character. Indeed, he went into the matter in some detail, but I will not weary you with a long recital, contenting myself with the following quotation from his speech as having some bearing on the greater question of the status of the country:—

"The Permanent Mandates Commission felt called upon to direct attention to this matter because of the great interest attached to the question of immigration. From the time of the Balfour Declaration and the institution of the mandate, the whole of this problem has gravitated around the question of Jewish immigration. Anything connected with the problem of Jewish immigration into Palestine is bound, therefore, to be regarded as of special interest. It is of particular interest as regards the feelings of the people of the country itself. The Arab element in the country is inclined to resist such immigration, whereas the Jewish element naturally hopes that the immigration may become as intense as possible."

The Council adopted the Rapporteur's report, and passed the resolution with which it concludes.

I now turn to the status of the country. Immediately after the Rapporteur's report had been accepted, Mr. Eden, the representative of the United Kingdom, addressed the Council. Although for a complete understanding of the circumstances which led to the present impasse in Palestine familiarity with the report of the Royal Commission, known as the Peel Commission, is a necessity, a general conception may be gained from Mr. Eden's speech at the meeting of the Council on the 14th September. The trouble is the result of a conflict between Arab and Jewish political aspirations. The mandate, which is derived not merely from the Covenant but also from the Balfour Declaration regarding the establishment of a national home for the Jews in Palestine (a declaration which had the approval of the President of the United States of America and also of the Governments of France and Italy), has, in the opinion of some authorities, proved unworkable. Jews and Arabs have not settled

their differences. The demand of the Jews to emigrate in greatly increasing numbers into Palestine has become more pronounced of late owing to economic and social conditions in other countries, and the growth of Arab nationalization in neighbouring lands has strengthened Arab demands in Palestine itself. The hope of the British Government that, in time, Palestine would become a self-governing State, wherein the rival races could live together and at peace, seems far from realization. This is admirably brought out in the report of the Royal Commission, which is of opinion that the only way to settle the difficulty is by means of a partition amongst Jews and Arabs, reserving, however, the holy places to be administered in trust and under mandate by the United Kingdom. On the merits and demerits of partition, on the suggested frontiers of the new State, and on other points which would inevitably require settlement should partition be resorted to, there is no need to enter now. Mr. Eden himself stated that the proposal made by the Royal Commission was the only solution. What he asked for was a general authority to proceed to work out the details of a scheme of partition, which, in the opinion of the British Government, was the only solution, if possible in co-operation with Jews and Arabs, on the understanding that no scheme would be put into effect without the approval of the Council. Mr. Eden indicated that the method to be adopted would be by means of a special body visiting Palestine and negotiating with the Arabs and the Jews.

Mr. Eden was followed by the French Government representative, M. Delbos, who was sympathetic in tone, and by the representative of Poland, Colonel Beck, whose country has a large and, I believe, an increasing Jewish population. Colonel Beck said that the principal anxiety of his Government would be to try to ensure, whatever the future regime, that Palestine would have a maximum capacity of absorption. I spoke as follows:—

“The New Zealand Government is impressed by the extent to which this complex question has been examined. It is, we think, impossible to withhold admiration for the great care and fairness with which it has been dealt with by the Royal Commission of the United Kingdom Government and by the Mandates Commission from many other angles. The problem is difficult, because it is so clearly a case of a conflict between two races.

“Much could be said on this matter, but I will limit myself to a few words. In the first place, we hope that, while all local aspects are fairly taken into account, regard will be paid to the necessity for finding an adequate national home for the Jewish people in that part of the world to which they originally belonged. Secondly, while there has already been so much inquiry and consultation, we hope that emphasis will continue to be put on the desirability of bringing together in conference and in a spirit of reason the representatives of the Arabs and the Jews, who are so immediately and directly concerned. We support the proposal outlined by Mr. Eden.”

The small Committee of the Council to which I have referred above was constituted in the persons of the Rapporteur and the representatives of Latvia and Sweden, and at the conclusion of the debate the President asked this Committee to prepare a draft resolution for submission at the next meeting. This was done. At the meeting on the 16th September the Council passed the following resolution:—

“In view of the United Kingdom Government’s statement of July, 1937, concerning the conclusions of the Royal Commission on Palestine,

“In view of the preliminary opinion given to the Council by the Mandates Commission,

“In view of the statement made by the Representative of the United Kingdom at the Council meeting of 14th September, 1937, and the discussion on the status of Palestine which took place at the same meeting,

“Having regard to the intention expressed by the United Kingdom Government of pursuing the study of the problem of the status of Palestine while concentrating on a solution involving partition of the territory,

“Recalling the assurances given in that connection by the representative of the United Kingdom on the subject of immigration,

“The Council—

“Agrees to the United Kingdom Government’s carrying out the aforesaid study and taking such steps as it may entail,

“And, while pointing out that the mandate of 24th July, 1922, remains in force until such time as it may be otherwise decided, defers consideration of the substance of the question until the Council is in a position to deal with it as a whole, and in the meantime entirely reserves its opinion and its decision.”

At its meeting on the 16th September the Council had before it the agenda which included the appeals to the League of Spain and of China. As usual, the Council first met in private, and it was at the private meeting that the appeal of China was discussed. Mr. Wellington Koo represented China at the meeting. On the point of procedure he said that he did not underestimate its importance, and left to the Council full freedom to choose the most effective method of action. As Mr. Wellington Koo had already suggested reference of the matter to the Advisory Committee, the President of the Council proposed this course. I should mention that the Advisory Committee consists of the Committee of Nineteen appointed by the special Assembly of 1932-33, with additions, including the United States of America. Its terms of reference are derived from Article 3 of the Covenant, paragraph 3, which reads:—

“The Assembly may deal at its meeting with any matter within the sphere of action of the League or affecting the peace of the world.”

As the Committee of Nineteen included the members of the Council, it followed that New Zealand, in virtue of her membership of this body, was now a member of the Advisory Committee. Mr. Wellington Koo accepted the President’s suggestion, subject to the understanding that the Council

in referring the Chinese Government's appeal to the Advisory Committee, remained seized of the appeal itself, and that the Chinese Government reserved the right if and when circumstances required it to ask the Council to take action in accordance with the procedure of Article 17 of the Covenant, which, in addition to Articles 10 and 11, had been formally invoked. The President's proposal was accepted by the Council.

At the public meeting the following subjects were dealt with:—

ADVISORY COMMITTEE ON TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS.

The report of the Rapporteur (the representative of Latvia) (Document C. 382 1937 XI), covers the report on the work of the Twenty-second Session of the Advisory Committee (see Document C. 285, M. 186, 1937, XI), and deals with a number of points, including the clandestine manufacture of narcotic drugs, the situation in the Far East, and the preparatory work for a conference to consider the possibility of limiting and controlling the cultivation of the opium poppy and the production of raw opium. The report was accepted by the Council, which passed the resolution with which it concludes.

REFORM OF THE CALENDAR.

This is a subject which has been before the League for many years. It had been thought that there might be a sufficient measure of agreement to make reform possible, but the Rapporteur, the representative of the Union of Soviet Socialist Republics, was compelled to point out that the Advisory and Technical Committee for Communications and Transit, which had had the subject in hand, had come to the conclusion that it was inexpedient, for the time being, to convene a conference to carry out a reform which, in present circumstances, would seem to have no chance of being accepted. It was proposed that the Council should remove the question from its agenda, reserving to itself the right to take it up at a later date should circumstances warrant.

The representative of Chile, whose Government had actively concerned itself in the matter of the reform of the calendar, agreed that the question was not sufficiently ripe to be taken up by the Council, and he accepted the Rapporteur's suggestion. The Council concurred (see Documents C. 369, 1937, VIII, and C. 385, 1937, VIII).

UNIFICATION OF STATISTICS RELATING TO ROAD TRAFFIC ACCIDENTS.

The Rapporteur was the representative of the Union of Soviet Socialist Republics. The purpose of his report was to move the Council to communicate the relative papers to Governments in order that they should in future draw up their statistics in accordance with the recommendations of the Advisory and Technical Committee for Communications and Transit (Document C. 276, M. 179, 1937, VIII). M. Litvinoff proposed that the Council should agree to the request of the Advisory and Technical Committee for Communications and Transit, and instruct the Secretary-General to transmit the report of the Committee for the Unification of Statistics relating to Road Traffic Accidents to Governments, at the same time asking them to draw up their statistics in future in accordance with the recommendations and tables annexed to the report, and to inform him (the Secretary-General) before 31st December, 1940, of any experience they had gained, and to forward any observations they might see fit to make. The proposal was accepted (see Rapporteur's report, Document C. 384, 1937, VIII).

CONFERENCE FOR THE REDUCTION AND LIMITATION OF ARMAMENTS.

The Rapporteur to the Council on this subject was the representative of Turkey, who, when presenting to the Council his report (Document C. 383, 1937, IX), stated that it was for the Council at its next session, which would be held in the near future, to examine the question of the date of the next meeting of the Bureau of the Disarmament Conference (see also Documents Conf. D. 177, Conf. D. 178).

THE APPEAL OF SPAIN.

In order to obtain a true perspective on this matter, I think it advisable to state at the outset that the first delegate of Spain, M. Negrin, the Prime Minister, addressed the Assembly on the morning of the 18th September, and in conclusion requested:—

- (1) That the foreign aggression of which Spain has been the victim be recognized;
- (2) That in consequence of this recognition the League of Nations examine the means of putting an end to this aggression;
- (3) That the Spanish Government once more have the right to acquire freely all the war material it may consider necessary;
- (4) That the non-Spanish combatants be withdrawn from Spanish territory (see Document C. 409, M. 273, 1937, VII);
- (5) That the measures of security to be adopted in the Mediterranean be extended to Spain, and Spain be assured her legitimate participation in them.

He then put forward the following motion, which was referred to the General Committee of the Assembly, in the first instance:—

“The Assembly has decided to refer to the Sixth Commission the chapter of the report of the Secretary-General dealing with the Spanish situation.”

The question was then before two bodies of the League, and will be dealt with in the reports on both.

When the last item of the Council's agenda for that day was reached the Spanish representative vacated the President's chair and was succeeded by the representative of Ecuador. It will be observed, on reference to the minutes of the meeting, that the Spanish representative limited himself in his remarks to the question of the insecurity of navigation in the Mediterranean, with which the Spanish Government's telegram (see Document C. 335, M. 226, 1937, VII) had dealt. He referred, as he was entitled to refer in the light of subsequent events, to the warning of his predecessor delivered in the Council Chamber in December, 1936, to the effect that, while the activity of foreign tanks and aeroplanes on Spanish territory was certainly no less grave for the Spanish people than the activity of warships and submarines along the Spanish coast, the latter activity constituted a more menacing danger to general peace, and, further, that the object of the Spanish Government in causing the Council to be summoned "was to nip this danger in the bud, to prevent the growth of this evil to proportions where it became unmanageable." He then referred to incidents, particulars of which had been furnished by his Government in the telegram mentioned above, and he asked the Council whether official indifference and passivity towards the perpetration of this monstrous crime was to be interpreted as meaning that such actions universally considered as atrocities contrary to international law were to be accepted as legitimate and regular. This led him to the agreement which had recently been concluded at Nyon, and he protested against the exclusion of Spain from a conference her membership of which would have been doubly justified as a Mediterranean power and because her ships had been the principal victims. He, however, recognized in the Nyon agreement an advance on the London Committee of Non-Intervention, in spite of its excluding Spanish ships from the system of collective protection. But he protested against such exclusion, which he considered unjustifiable, and went so far as to say that the Spanish Government would have no objection to the naval forces entrusted with the protection of shipping entering Spanish territorial waters were such a course necessary for the fulfilment of their task.

M. Negrin averred that the solving of the problem required loyalty and the courage to face realities. He brushed aside the fiction that acts of aggression against merchant shipping in the Mediterranean were due to some kind of natural phenomena, the origin and causes of which were unknown and impossible to discover.

A further communication from the Spanish Government was circulated to members of the League dealing with the attack on the "Campeador" (Document C. 389, M. 259, 1937, VII).

The Spanish representative was followed by M. Delbos, the French Minister of Foreign Affairs, who limited his remarks to the Nyon arrangement. His tone was apologetic, and he promised to transmit to the signatories of that agreement the remarks of the Spanish representative. He added that, whilst the urgent task of the Conference had been to deal with the attacks of submarines, it had not lost sight of the problem raised by attacks by surface craft and by aircraft, and he said that this would be dealt with at a later date.

In view of the attitude on the Spanish question of New Zealand's representative at previous sessions, I felt that a few words by myself were necessary. I dealt in particular with the attack on the S.S. "Campeador," an act of brutality which makes sorry reading. I then touched on League action or want of action in the past. Recently Abyssinia, Spain, and China had in turn appealed to the League, and what had been done to meet these appeals? Which would be the next to turn to the Council for support against the war mania that was abroad to-day? I then asked the opposing party to come forward in order that we might hear their side of the story, and I inquired whether it would not be possible for Spain to submit herself to a regime sponsored by the League under which, after the lapse of the time required for pacification, there could be held an election in which the people of that unhappy country could express their will. I concluded:—

"My main purpose in rising was to express the hope that, whatever might be the committees to which these matters are referred, they will have in mind the acts that have been perpetrated and the bonds of the union into which we have entered; and that they will remember that the purpose of their meeting, the purpose of the Council and the Assembly meeting, is to protect humanity and to oppose unwarranted attacks upon innocent people."

I was followed by the representative of the Union of Soviet Socialist Republics, M. Litvinoff, who seemed to imply in the few words he spoke that he would have something to say on the Spanish question in the Assembly.

The President then adjourned the discussion.

The Ninety-ninth Session of the Council of the League of Nations was opened on the morning of the 29th September. The representative of France took the chair. The agenda for the session (Document C. 398, M. 262, 1937) contained sixteen items, and it was adopted without discussion at the private meeting, at which the following matters were also dealt with:—

QUESTION OF ALEXANDRETTA : EXPENSES OF THE COMMISSION APPOINTED TO ORGANIZE AND SUPERVISE THE FIRST ELECTIONS IN THE SANJAK.

The Council having examined the Rapporteur's report (Document C. 392, 1937), and noted that the Governments concerned—those of France and Turkey—were prepared to share the expense incurred passed the following resolution:—

"The Council

"With reference to its resolution of May 29th, 1937,

"Authorizes the Secretary-General, in accordance with the terms of Article 33 of the Financial Regulations, to draw upon the Working Capital Fund to an amount not exceeding 700,000 Swiss francs to meet the expenses of the work of the Commission provided for in the aforesaid resolution, on the understanding that all sums so advanced shall be repaid by the French Government and the Turkish Government in equal proportions,

"And recommends that the repayment of the sums advanced be made from time to time during the continuance of the work of the Commission."

TRANSFER IN THE BUDGET FOR 1937.

Additional money was required to meet—(1) the cost of the Extraordinary Assembly held in May last, and (2) the cost occasioned by the hiring of a hall for the meeting of the Eighteenth Assembly owing to the non-completion of the new Assembly Hall, which, when the Budget for 1937 was framed, it was hoped would be completed in time for the Eighteenth Assembly. The Council, having noted the situation, passed the following resolution (Document C. 438, 1937, X):—

“The Council—

“Authorizes the following transfer within Chapter I of the Budget for 1937:

“20,000 Swiss francs from Item 3, ‘Conferences,’ to Item 1, ‘Assembly.’”

COUNCIL COMMITTEE FOR THE SETTLEMENT OF THE ASSYRIANS OF IRAQ.

Document C. 439, 1937: This relates to the replacement of a Spanish national by the national of another State consequent on Spain's having ceased to be a member of the Council. Roumania was invited to fill the vacancy, and her representative agreed to this.

COUNCIL PROCEDURE: REPORT OF THE COMMITTEE.

A small Committee of five persons has been considering certain points in connection with Council procedure, and its report (Document C. 395, 1937) was laid before the Council, which approved it. The findings of the Committee are of academic interest only. In the words of the Rapporteur, their general tendency was to codify an established practice.

CONSTITUTION, PROCEDURE, AND PRACTICE OF COMMITTEES OF THE LEAGUE OF NATIONS.

The Chairman introduced his report (Document C. 435, 1937), which concerns the submission for approval by the Council of the rules of procedure drafted by the International Committee of Intellectual Co-operation for its use. These rules (see Document C. 327, M. 220, 1937, XII (Appendix 12) were approved by the Council.

The Council then met in public.

The proceedings began with a few words of welcome by the President to the new members—Belgium, Iran, and Peru—and of thanks for the assistance rendered by the States which had recently retired—Chile, Spain, and Turkey. The Council then turned its attention to the following matters:—

SETTLEMENT OF THE ASSYRIANS OF IRAQ.

If you will refer to the report of the New Zealand delegate on the Sixteenth Assembly you will find that he devoted a few paragraphs to this subject when it came before the Assembly for the first time in 1935. At a late hour that year a demand was made for a supplementary credit of no less than 400,000 francs, to be followed by other credits in succeeding years, as the League's contribution towards the expenses of settling in Syria, governed under mandate by France, Assyrians (a Christian race) who had fled to Iraq during the war from their mountain home in what was, and still is, a part of Turkey. The Assyrians were then looked upon as “an alien element in Iraq,” and as such underwent considerable suffering. In 1935 the future looked bright. Land was available for communal settlement, but it had to be reclaimed and partly irrigated, and financial assistance was needed. The British Government was prepared to find five-twelfths of the cost of settlement, provided its contribution did not exceed £250,000, and also providing that the Government of Iraq contributed a like amount, but £500,000 was insufficient, and, although contributions from private sources were hoped for, there was a balance to be met. Although many delegates at the Sixteenth Assembly had misgivings, the Assembly voted 400,000 francs, and promised a total contribution of 1,300,000 francs. But the scheme has failed. It will not be long before Syria becomes an independent State under an arrangement similar to that which obtained in Iraq, formerly mandated to the United Kingdom, and there is doubt whether a small minority, such as the Assyrians would form, would, in the changed political conditions, be better off in Syria than it is in Iraq. The story from July, 1936, when the Council approved the abandonment of the plan for the settlement of the Assyrians of Iraq in the Ghab Plains (the Syrian project), to the present day is briefly but admirably told in a report submitted to the Council by the Council's “Committee For the Settlement of the Assyrians of Iraq” (Document C. 387, M. 258, 1937, VII), to which I refer you. The Syrians may be divided into two bodies, those who settled (but not under the auspices of the League) in the upper valley of the Khabur (a settlement which would have become subsidiary to the Ghab Plains scheme), and those who are still in Iraq. As to the former, they will remain in the Khabur Valley, and, as to the latter, they will as far as possible become ordinary citizens of Iraq. But the British Government has had to confess that owing to the political and economic conditions of the modern world it is not possible to settle anywhere a whole community, and, further, that although that Government had applied to every territory under British administration it was without result. It is a sorry story. But the Council could do nothing but listen to one or two sympathetic speeches, including a conciliatory one by the representative of Iraq, who had been called to the Council table, and to pass, on the motion of the Chairman of the Council Committee, the representative of Latvia, a resolution couched in the following terms:

“The Council—

“(1) Expresses its deep regret that, despite all the efforts of its Assyrian Committee during the last four years, it has not proved possible to carry through a comprehensive scheme for the resettlement outside Iraq of all such Assyrians as have expressed the desire to leave that country;

“(2) Adopts the report of the Committee, and in particular approves the proposals recommended therein for the reorganization of the Khabur settlement on a fully self-supporting basis, and authorizes the Committee to proceed with their execution;

"(3) Takes note with satisfaction of the readiness of the Governments of the United Kingdom and Iraq to contribute their proportionate share of the cost of the scheme of reorganization ;

"(4) Refers to the Supervisory Commission the Committee's report and an extract from the Council's minutes relating to the discussion on the present question, with a view to obtaining the agreement of the Supervisory Commission, as contemplated in its report No. A./IV/14, 1936 ;

"(5) Decides in view of the changed circumstances to terminate such functions as the Committee possesses, by virtue of the Council's resolution of 14th October, 1935, in respect of the Assyrians in Iraq ;

"(6) Takes note of the declaration of the Iraqi Minister for Foreign Affairs that the Assyrian community in Iraq will now resume its position as an ordinary national minority, which, while enjoying the benefits of the declaration on the protection of minorities, signed by the Iraqi Government at the time of its admission to the League of Nations and approved by the Council on 19th May, 1932, will itself continue to be bound by obligations of loyalty to the Iraqi State ;

"(7) Invites the Iraqi Government to take all necessary and practicable steps, in the spirit of the Council's resolution of 15th December, 1932, to ensure that the Assyrians remaining in Iraq are given every assistance to settle down within that country as a prosperous and contented section of the Iraqi people."

FREE CITY OF DANZIG : STATE AND MUNICIPALITY LOANS.

The Council gave its approval to a reduction in the rate of interest of two loans negotiated by the Free City under the auspices of the League. Full information is given in the report of the Rapporteur, the representative of Sweden, (Document C. 436, 1937, II A ; see also Document C. 437, 1937, II, A).

ECONOMIC COMMITTEE : REPORTS ON THE WORK OF ITS FORTY-FIFTH AND FORTY-SIXTH SESSIONS ; AND COMMITTEE FOR THE STUDY OF THE PROBLEM OF RAW MATERIALS.

As the Second Committee of the Assembly was considering these matters, they were reserved for further discussion. Here it is only necessary to observe :—

- (1) That it is not considered advisable to convene in the near future a diplomatic conference for the purpose of adopting the new Customs nomenclature, although Governments are recommended to make the fullest possible use of it in any revision of their tariffs ;
- (2) The preliminary draft for a convention to facilitate commercial propaganda has made some progress ; and
- (3) A meeting of experts will be convened to draw up a definite text for a Sanitary Convention on the International Trade in Meat and Meat Preparations.

(Documents C. 280, M. 181, 1937, II, B ; C. 358, M. 242, 1937, II, B ; C. 394, 1937, II, B ; and Documents C. 182, M. 128, 1937, II, B ; C. 286, M. 187, 1937, II, B ; A. 27, 1937, II, B ; C. 393, 1937, II, B.)

REQUEST FROM THE ZELTWEG-WOLFSBERG AND UNTER-DRAUBURG WOELLAN RAILWAY COMPANY, VIENNA.

This is a matter which had been referred to the Council under the Treaty with Austria signed at St. Germain. Two States members of the League—Austria and Yugoslavia—as well as the railway company, are concerned. There is no need to go into the circumstances, which are not of international concern. It suffices to quote the following resolution which was passed by the Council :—

"The Council—

"Having regard to the requests dated 8th July, 1935, and 14th September, 1936, under Article 320 of the Treaty of St-Germain-en-Laye by the Zeltweg-Wolfsberg and Unterdrauburg-Woellan Railway Company, of Vienna :

"Decides to call once more upon the arbitrators appointed by its resolutions of 26th and 30th May, 1933, to give an award on all matters in dispute which might still prevent an agreement between the petitioner company and the States whose territory is concerned. These arbitrators shall decide all the matters still in dispute between the petitioner company and the States whose territory is concerned and which they shall regard themselves as competent to consider. They shall, if necessary, and to the extent desirable, give an authentic interpretation of their award of 12th May, 1934, or supplement it, or adapt it to the new circumstances having arisen since the award.

"The amount of the emoluments to be received by the arbitrators shall be fixed by the President of the Council after consulting the parties. The allocation of the advances of funds necessary to enable the Arbitral Tribunal to come into operation and the final allocation of all costs shall be settled by decision of the arbitrators."

(Documents C. 388, 1937, VIII, and C. 433, 1937, VIII.)

The Council met again on the 1st October, at first in private and then in public. The agenda contained four items, as follows :—

APPOINTMENT OF RAPPOREURS FOR THE YEAR 1937-38.

This is a matter of procedure, and no comment is called for. The Rapporteurs remained the same, except those on two subjects : Social questions will be dealt with by the Peruvian representative, and Disarmament by the representative of Iran.

FINANCIAL COMMITTEE.

The Council had already decided to give the Finance Committee the same status as that possessed by other technical Committees of the League, and it now remained for the Rapporteur on Financial Questions, the representative of Sweden, to propose the persons to be invited to serve as full members or substitute members. The Rapporteur's list of names was accepted by the Council (see Document C. 443, 1937), and the newly constituted Committee will serve to the end of 1939.

CONSTITUTION, PROCEDURE, AND PRACTICE OF COMMITTEES OF THE LEAGUE OF NATIONS: REFORM OF THE COMMUNICATIONS AND TRANSIT ORGANIZATION.

There had been differences of opinion in regard to the composition of the Communications and Transit Organization, and negotiations with a view to their elimination have been proceeding. The papers bearing on the subject are Documents C. 253, 1937, VIII, and C. 391, 1937, the former showing how the reform of the Organization is proceeding. All that it is necessary to say here is that the Rapporteur, the representative of France, wished to refer the whole matter to a Council Committee consisting of the representatives of the United Kingdom, France, Poland, Roumania, and Belgium, which would draw up an agreement for submission to the Council. The Rapporteur's proposal was accepted. His report is Document C. 457, 1937.

TECHNICAL COLLABORATION BETWEEN THE LEAGUE OF NATIONS AND CHINA.

The Council had before it a report by the Chairman of the Council Committee for Technical Collaboration with China on the work of the Committee's Eighth Session. It is a report on a request made by the Government of China for the allocation of all the credits available for technical collaboration between the League and China in the Budget of 1937, and in that to be voted for 1938, for use in the prevention and control of epidemics and the general removal of the civilian population and refugees. The Chinese Government proposed itself to provide money towards the expenses involved, and suggested 160,000 Chinese dollars. On the terms of the report there is no need to enter. It is sufficient to say that the Committee of the Council recommended the provision for the purpose of the funds available, and requested the Council to consider whether it would not be desirable to invite the Assembly to increase considerably the credits that it was customary to vote each year for technical collaboration with China.

One of the results of the operations of the Japanese forces which have invaded China has been the mass movement of the population on a considerable scale, with the attendant risk of the spread of epidemics. As the President said in his opening remarks, the Council Committee was not able to express an opinion as to the means of arresting the danger. But the danger was serious, the task involved immense, and the money available on so modest a scale that that in itself was an argument for concentration of action. In the debate which followed, general support for the proposal was forthcoming, although it was realized that on the subject of finance it was for the Assembly to take decisions. A passage in the Polish delegate's speech is worthy of consideration:

"It might be wise to consider whether it would not be better for the League of Nations to refrain from increasing the number of its organizations dealing with more or less humanitarian activities, and give a grant instead to organizations such as the Red Cross, whose primary task it was to deal with problems of support and assistance in the case of big epidemics or disasters. It was a point worth considering in view of the political character attaching to any action by the League, even though such action might be purely philanthropic. In that connection he particularly urged the Secretary-General to take steps to prevent the League organizations which were going to deal with this problem from going outside the purely technical limits of their activity. That might help to avoid certain interpretations which had been put in the past on the technical activities of the League in painful circumstances."

The representative of the Union of Soviet Socialist Republics suggested that the Council must make sure that the League would be assisting China: if it were left to the individual decisions of Governments it would not be known what assistance had been given, or, indeed, whether any assistance had been given at all.

I said that the report before us spoke not only of the existence of disease, but of the possibility of the spread of epidemics, and that the money available at the moment would not go far in dealing with the situation. As to the suggestion that action by the Council on the lines of the report might have a political interpretation, I did not share that view. To endeavour to arrest the spread of an epidemic would certainly assist the Chinese, but such action would at the same time assist other peoples, for the danger of epidemics crossing the frontiers was very considerable. "If the League was to justify its existence at all, it should throw all possible weight into the effort to prevent the spread of the epidemic."

The Council decided to transmit the report to the Assembly, and the Assembly's action thereon will be described in my report on the deliberations of that body.

The final meeting of the Ninety-ninth Session of the Council was held on the evening of the 5th October, first in private and then in public. The following items were dealt with :—

TECHNICAL COLLABORATION BETWEEN THE LEAGUE OF NATIONS AND CHINA.

The Assembly having considered the proposal to provide credits for the campaign against the spread of epidemics in China and taken the decision to fix at 2,000,000 Swiss francs the sum to be granted, the Council passed the following resolution :—

“ Decides to request the Secretary-General—

“(a) To summon for 14th October a meeting of a sub-committee of the Health Committee, assisted by competent experts, for the purpose of drawing up a plan to assist the Chinese authorities to organize the campaign against epidemics ;

“(b) To communicate to that sub-committee the Supervisory Commission's report approved by the Assembly (Document A. 76 (a), 1937), drawing its particular attention to paragraph (III) of that report ;

“(c) To communicate as soon as possible the plan prepared by the above-mentioned sub-committee in order to enable the Supervisory Commission to perform the task entrusted to it by the Assembly ;

“(d) To inform the Council Committee for Technical Collaboration with China of the action taken on this decision.” (See Documents C. 465, 1937, and C. 468, 1937.)

HEALTH.

My report on certain health questions, which is Document C. 455, 1937, III, covers several phases of the health work of the League. The Council approved of the Assembly's request to send the Governments concerned the report on the Inter-governmental Conference of Far-Eastern Countries on Rural Hygiene. It agreed to the Health Committee of the League being requested to devote attention to suggestions which had been made during the debate in the Second Committee of the Assembly ; it also agreed to appoint a Preparatory Committee to aid it in determining the scope and agenda of the European Conference on Rural Health which is to meet in July, 1939 (see Document C. 455, 1937, III).

Perhaps I should mention that the Conference of the Ministers of Public Health of Europe which it was hoped would be held this year has been postponed. It was one of the subjects dealt with in my report on the Session of the Council held in May, 1937, and which you suggested by telegram I should attend as Rapporteur on Health questions (see Document C. 463).

REDUCTION AND LIMITATION OF ARMAMENTS.

The Council noted the Resolution passed by the Assembly on the 30th September regarding—

- (a) The question of an International Convention on the Publicity of National Defence Expenditure and the working of an organ of Supervision and Co-ordination ; and
- (b) Supervision of the manufacture of and trade in arms, a resolution which it requested should be communicated to States non-members of the League.

A further question to be determined was the date for the convening of the next meeting of the Bureau of the Conference for the Reduction and Limitation of Armaments. As amongst the matters to be discussed during the next session is the consideration of information sought from Governments, the date of the session is largely dependent on the number of replies received. So far only nineteen replies of a definite nature have come to hand, and the Rapporteur—the representative of Iran—did not feel able to suggest a date for the meeting. A decision was therefore postponed to the next session of the Council (Document C. 464, 1937, IX).

APPEAL OF SPAIN.

I have already devoted some passages to this matter, which also came before the Assembly, but I would here remark that the role of the Council was limited in scope, since it concerned itself almost solely with conditions in the Mediterranean. The arrangement made at Nyon for dealing with acts of piracy was between certain States only. The Government of Spain was not represented at Nyon, and her ships are excluded from the operation of the arrangement. The Spanish Government had since sought to have the omission rectified, through action by the Council, and there had been more than one exchange of views between all the members of this body sitting together with a representative of Spain. As a result of this exchange of views there was prepared a draft resolution (Document C. 467), and this the Council proceeded to consider. It was introduced by the President after he had invited a representative of Spain to come to the Council table.

The Polish representative, after stating that his Government welcomed any arrangement which would contribute towards the relaxation of international tension or towards the maintenance of peace, said :—

“ The Nyon arrangement doubtless belongs to this class of arrangement. Nevertheless, the Polish Government, being always devoted to the principle that certain States cannot, by their actions, engage the responsibility of other States which have not participated in those actions, finds itself unable, within the League of Nations, to give its approval or disapproval to the Nyon arrangement, to which it is not a signatory.”

The Bolivian representative, whilst promising to vote for the resolution, stated :—

“ I desire to repeat the reservation on a point of principle to which I have already given expression in the Assembly. The reservation relates to the fact that approval is requested for a resolution arrived at at a meeting of members outside the League of Nations and without a preliminary resolution by the Council or the Assembly.”

The Swedish representative, while also promising to vote for the resolution, made a reservation which can best be described by quoting some phrases from his speech :—

“ May I be allowed to recall the fact that the wider problem—namely, the safeguarding of the legitimate interests of maritime traffic in general—was raised a few months ago in the London Committee by the Nordic States, but no positive result was obtained. It is all the more natural that the negotiations which led up to the Nyon agreement should have been followed with the closest attention. I am perfectly well aware of the fact that the task of the Nyon Conference, which was very delicate in itself, would have been greatly complicated if an attempt had been made to find a definite solution for the whole of the questions of a general character to which I have just referred, but it must be clearly understood that the conclusion and application of a Convention providing for repressive measures in respect of certain cases of an exceptional gravity does not give the slightest shadow of legitimacy to illicit acts that are not expressly referred to in the said Convention. Violations of existing rights will remain violations after the Nyon agreements, just as they were before the conclusion of those agreements.”

I have made specific reference to these reservations because I think it desirable to show that States, jealous of the rights and responsibilities of the League, feel that the League should not be called upon to give its blessing to arrangements made without its mandate, unless circumstances are exceptional.

The representative of Spain then spoke. At the outset he accepted the resolution on behalf of the Spanish Government. While he admitted that the Council could not take a decision which would bring Spanish shipping within the Nyon arrangement, he drew a crumb of comfort from the observation in the resolution that the measures agreed upon at Nyon were “ without prejudice to the possibility of further collective measures being agreed upon subsequently.” In view of this, it was perhaps not too much to hope that eventually Spanish shipping would be included.

In conclusion, he reserved the right again to raise cases of attacks which had already been made on Spanish ships and of attacks which might occur in the future, for his Government was not optimistic enough to think that there would be no further attacks on shipping in the Mediterranean. The resolution was passed (Poland abstaining), and I quote it for easy reference :—

“ The Council—

“ 1. Noting that, at the present session, the representative of Spain has preferred to call its attention only to the question of the insecurity of shipping under the Spanish or other flags in the Mediterranean, reserving for the Assembly the consideration of the other international problems that have arisen in connection with the struggle in Spain ;

“ 2. Having regard to the arrangement signed at Nyon on 14th September, 1937, whereby the participating powers agreed upon special collective measures to prevent submarine attacks in the Mediterranean upon any non-Spanish ships ;

“ 3. Having regard to the agreement supplementary to the arrangement of Nyon, signed by the same powers at Geneva on 17th September, 1937, whereby they agreed upon measures to deal also with similar acts committed by surface vessels or aircraft—measures which meet one of the points with regard to which the representative of Spain expressed concern in his speech in the Council on 16th September ;

“ 4. Noting the explanation given to the Council by the representative of France, President of the Nyon Conference, concerning the scope of the Nyon arrangement ;

“ 5. Observing that the measures agreed upon at Nyon ‘ without prejudice to the possibility of further collective measures being agreed upon subsequently ’ by the participating powers have proved effective ;

“ 6. Having heard the observations made by various members of the Council at its meeting of 16th September, 1937 ;

“ 7. Notes that attacks have taken place in violation of the most elementary dictates of humanity underlying the established rules of international law which are affirmed, so far as war time is concerned, in Part IV of the Treaty of London of 22nd April, 1930, rules which have been formally accepted by the great majority of Governments ;

“ 8. Declares that all attacks of this kind against any merchant vessels are repugnant to the conscience of the civilized nations which now finds expression through the Council.”

I have the honour to be,

Sir,

Your obedient servant,

W. J. JORDAN,

High Commissioner.

The Right Hon. the Prime Minister of New Zealand,
Wellington, New Zealand.

ONE-HUNDREDTH SESSION OF THE COUNCIL OF THE LEAGUE OF NATIONS.

New Zealand Government Offices,
415 Strand, London, W.C. 2, 11th February, 1938.

SIR,—

I have the honour to submit this my report on the one-hundredth session of the Council of the League of Nations. Accompanied by Miss J. R. McKenzie and by my Private Secretary, Mr. C. A. Knowles, I arrived in Geneva on the evening of the 25th January for the opening of the session on the following day.

The agenda, Document C. 570 (1), M. 406 (1), 1937, contained twenty-six items, most of them subjects requiring nothing more than formal action by the Council. There were, however, a few items, such as the "Appeal by the Chinese Government" and the "Question of Alexandretta," of first-class importance in themselves and which might occasion difficulties that would tax all the resources of the Council. Further, it was generally known that advantage would be taken of the Council session by some of its members to make public the attitude of their respective Governments towards the League.

There was a short private session on the morning of the 26th January, but the greater part of that day was employed in private conversations between various delegates and also between delegates and diplomatic representatives accredited to Switzerland. There was also an exchange of views between the Foreign Ministers of France and Turkey and M. Unden, the Swedish representative on the Council, who is Rapporteur on questions affecting Alexandretta.

The agenda of this meeting contained four items. The first—Adoption of the Agenda of the Session—gave rise to a statement by the representative of France regarding Item 11 of the agenda of the session. He requested that the item be withdrawn, as he thought a further delay in fixing the date of the Diplomatic Conference to conclude an international convention for the Protection of National Artistic and Historical Treasures would be of service to those engaged in the preparation for the Conference.

Item 2—Adoption of the Agenda of the Meeting—gave rise to no discussion.

Item 3—Budgetary and Administrative Questions—for which the representative of China is the Rapporteur, deals with the renewal by the Rockefeller Foundation of the offer made in 1933 for the promotion of the analytical research work of the Financial Section and Economic Intelligence Service of the Secretariat. The paper on the subject is numbered C. 28, 1938, X, and it will be observed that the Foundation offered a sum of 350,000 Swiss francs. This offer was gratefully accepted by the Council. I should like to state that the Rockefeller Foundation has rendered great service to the League in important branches of its work, such as that referred to above and, above all, in the provision of a library to house a valuable and constantly growing collection of volumes which is already of international importance.

The second section of the item—Budgetary and Administrative Questions dealing with Appointments and Promotions in the Secretariat since the last Session of the Council (Documents C. 12, 1938, and C. 12 (a), 1938—was of more than passing interest in that the Secretary-General devoted his remarks to the promotion of M. L.A. Podesta Costa, an Argentine citizen, to an Under-Secretaryship. The Secretary-General was of the opinion that M. Podesta Costa's services were of so valuable a nature that he could be better employed, and with greater scope, as an Under-Secretary; and he added that it was intended to place M. Costa in charge of a mission which later in the year would visit various countries in South America. It would appear that such an arrangement is all to the good. The League has again reached a critical stage of its existence, and direct contact between those who are familiar with its work at first hand and Ministers and high officers of administrations in distant countries who deal with international questions cannot but be of service.

The last item on the day's agenda is divided into three sections—

(a) *Advisory Committee on Social Questions*, for which the representative of Peru is Rapporteur. The document on the subject is numbered C. 45, 1938, IV. The Council accepted the suggestion of the Rapporteur that two vacancies on the Advisory Committee on Social Questions should be filled by citizens of Ireland and Yugoslavia.

(b) *International Committee on Intellectual Co-operation*.—The document is numbered C. 24, 1938, XII, and the Rapporteur is the representative of France. I am sure it will give great satisfaction to those who are interested in the work of the International Committee to learn that the Council approved of the reappointment of Professor Gilbert Murray and Professor J. T. Shotwell as members of that Committee for a further period of three years.

(c) *Board of Management of the Staff Provident Fund*.—The Rapporteur, the representative of China, in referring to his report, C. 42, 1938, X, asked the Council to appoint Mr. K. G. McKinlay to the Board of Management of the Staff Provident Fund in place of M. di Palma Castiglione, who had resigned from the staff of the International Labour Office. The appointment was approved by the Council.

The Council met for the second time in private on the evening of the 27th January, when the following three items were under consideration :—

(1) *Financial Committee: Report on the Work of its Sixty-fifth Session*.—As a matter of fact, discussion was confined entirely to the financial position of Hungary on which the Financial Committee of the League made a report supplementary to its main report. This supplementary report is document C. 9, 1938, IIa. For some years, indeed since 1932, Hungary had not been able to obtain sufficient

foreign exchange with which to pay interest on her foreign debts, but she had undertaken to pay the interest accruing to bond-holders in pengoes into a blocked account. Whilst I believe it has not been possible to remit abroad anything on account of arrears, nevertheless arrangements have been made in regard to most of the foreign debts whereby during the next three years interest at a greatly reduced figure shall be regularly remitted abroad. In view of this arrangement, and of the improved situation in Hungary's financial and economic position, the Financial Committee of the League suggested a modification in the system of League control which was set up in 1931, such modification to include the withdrawal from Budapest of the League's representatives.

The representative of the Hungarian Government was called to the Council's table. After taking into consideration the Rapporteur's report, Document C. 10, 1938, IIA, and listening to a statement from the Hungarian representative and to short speeches by some members of the Council, the Council passed the following resolution:—

“ The Council—

“ Taking note of the Supplementary Report of the Financial Committee on Hungary, and of the declarations made by the representative of the Hungarian Government,

“ Warmly congratulates the Hungarian Government on the courageous efforts by which it has been able successfully to meet the financial and economic difficulties of recent years, and

“ Decides, in agreement with the Hungarian Government, to terminate as from March 31st next the office of Mr. Tyler at Budapest, and pays tribute to the exceptional merits of Mr. Tyler's services in the office held by him since October, 1931.” (Document C.10 (A), 1938, IIA.)

It is in work of this kind that the League has been so successful. Mention of it is rarely made in the press, and consequently when the League is periodically subjected to criticism its solid successes in social and other fields are forgotten.

(2) *Appointment of a Judge and a Deputy Judge to the Administrative Tribunal.*—Appointment to the Tribunal is made by the Council under a system of rotation. A vacancy had recently occurred owing to the resignation of a Judge who had not served for the full term of office, and the Rapporteur, the representative of China, proposed that the seat be filled by the appointment of Jonkheer van Ryckevorsel, of the Netherlands, who had been a Deputy Judge of the Administrative Tribunal since 1927. This was agreed to by the Council, which also approved the Rapporteur's suggestion (see Document C. 27, 1938) that the seat of Deputy Judge vacated by Jonkheer van Ryckevorsel should be filled by the appointment of M. Georges Scelle, of Paris. It should be noted that both appointments are not for the full term of three years, but for the unexpired period of office of the former occupants.

The Tribunal has also lost a member by death, but no action was taken by the Council at this session to fill the vacant seat.

I should remark that the Administrative Tribunal was established under Resolution of the Assembly of 1927, and it deals with staff matters.

(3) *Traffic in Women and Children: Eastern Bureau; Study Mission.*—Reference to my report on the last Assembly will disclose that the Fifth Committee, whilst of opinion that a Bureau should be set up in the East in connection with control of the traffic in women and children, was not prepared to make a definite recommendation without further information. On its recommendation the Assembly requested the Council to appoint an expert officer to discuss the matter as soon as possible on the spot with the competent authorities of the Governments interested. A thorough investigation would require considerable travel on the part of the investigator and places so far apart as Batavia and Tokio would have to be visited, amongst others. Events in the Far East have led to abnormal conditions, and it would be impossible for an investigator at this time to undertake his work with satisfaction to himself or to the League. The Council therefore agreed to the Rapporteur's suggestion (Document C. 46, 1938, IV) that consideration of the appointment should be postponed.

The Council met for the first time in public on the evening of the 27th January. In his opening remarks the President, the representative of Iran, referred to the fact that he was inaugurating the one-hundredth session. Concluding his brief speech, he said: “ In this modern world where the acts of one State may react upon the well-being of other members of the world community with a rapidity undreamt of by even the immediately preceding generation, a League is a vital necessity.” Much had happened since the last session of the Council held in October, 1937. The Brussels Conference on the Sino-Japanese conflict had met and adjourned without reaching any decision of importance. Italy, which had taken no active part in the work of the League since the imposition of sanctions, had given notice of her withdrawal. There had been reports in the press of the efforts made by States no longer members, or at any rate active members of the League, to induce neighbours to quit the organization. The Jewish question, already troublesome and intricate in relation to Palestine, was growing more acute, and Jewish organizations had become active in consequence of the threat to the Jews living in Roumania. Now the Jews living in parts of Roumania which were formerly within the Austro-Hungarian Empire have the status of a minority in the eyes of the League, and a petition had already been presented to the League on their behalf by the Executive Committee of the World Jewish Congress. As this petition was not inscribed on the agenda of the session, I will do no more than give it passing reference, but its intrusion in Geneva was sufficient to occupy the time of many of the statesmen assembled there, particularly the Foreign Ministers of the United Kingdom, France, and Roumania.

The speeches which followed that of the President occupy no less than sixty typed foolscap pages. Their tendency perhaps can best be indicated by a brief summary of the speech delivered by the representative of the United Kingdom, but they are worth studying as a whole, for many of them were delivered by men who are outstanding in League circles and at a time when the League was passing through the greatest crisis it has ever had to face, and when pessimism was rife.

In the opinion of His Majesty's Government in the United Kingdom the League's successes were too often forgotten in contemplation of its failures, and this, coupled with the loss of important members, had restricted not only faith in co-operation, but the power to fulfil all the obligations of the Covenant. But the ideals of the League remained, and, in the words of Mr. Eden, those ideals were the promotion of international co-operation and the achievement of international peace and security on the basis of respect for international law. In spite of all that had happened, the League remained as an instrument, the best so far devised, for giving effect to these ideals, and its machinery should be used to the fullest extent permitted by circumstances. Non-membership of the League should not be regarded as a hindrance to friendly relations, nor should the League become the home of any ideology except that of peace through international co-operation. We should continue to use the instrument available, hoping that in time all nations would be united in a desire to co-operate.

It is, I think, true to say that during the remainder of the meeting no harsh voice was raised, and even if Mr. Wellington Koo, the representative of China, was highly critical of League action, or want of action as manifested in its attitude towards his own country, he did not deny his faith in an organization which had been built on the ruins wrought by the greatest war in history. It seemed to me that the occasion required a reaffirmation of New Zealand's faith in the League, and I spoke as follows :—

"I have listened with great interest to the declarations which have been made by Mr. Eden on behalf of His Majesty's Government in the United Kingdom, and M. Delbos on behalf of the Government of France and by other members of the Council, and fully understand that experience has prompted the representative of China in his remarks—an experience which we regret.

"Speaking on behalf of my own Government, that of New Zealand, I would state in the strongest possible terms that, in spite of all that has happened since 1936, our faith in the ideals and aims incorporated in the Covenant of the League of Nations remains as strong as ever, for we believe that, given the will, co-operation amongst the nations of the world in the spirit of the Covenant is possible. The terms of the Covenant are now under the consideration of a special committee, and perhaps this is not the time nor the place for making any statement in detail on the views held by my Government on measures of reform, if, indeed, reform is necessary. These views are contained in the memorandum which my Government submitted to the Secretary-General on July 16th, 1936, and my Government firmly believes that the hope for the future good relationship of nations lies in the observance of a code of conduct of which the Covenant is an expression, and it reaffirms its attitude towards the League in the terms of that memorandum.

"In an historical period extending over thousands of years the period of the life of the League is almost nothing. We realize that everything cannot be accomplished in a day, and that the time may not be ripe for putting into immediate operation every principle for which we in New Zealand stand; yet we are not prepared to abandon, in the face of aggression and detraction of the League's performances (and many of its performances have been both striking and efficacious), our faith in right and justice based on a sound conception of international relations through a strong League of Nations."

The various speakers expressed on behalf of their Governments faith in and fidelity to the League. All statements more or less showed appreciation of the actual position. What is the position? Article 16 of the Covenant was applied, not in full measure it is true, and its application in the Italo-Ethiopian conflict was looked upon as a test case. Sanctions failed in that case. There are those who assert that they need not have failed, that in time they would have served their purpose. Since their failure the international situation has grown steadily worse, and many of the smaller countries are no longer willing to share with the other members of the League responsibilities and sacrifices which they were readily prepared to share with all the great Powers (with the exception of the United States of America) in the League. Let us take the case of Switzerland. Much has been said and written of her special position, which was recognized by the Council of the League in 1920. That position is one of perpetual neutrality, but it was expected by the Council that Switzerland would play her part in the event of the imposition of economic and financial sanctions. Obviously a country like Switzerland is willing to play her full part only if she can rely on League help in the event of an attack on her by another Power. At the beginning of the present decade all three Great Powers whose frontiers march with those of Switzerland were members of the League. Now one of them is no longer a member, and another has given notice to quit. There are, of course, other circumstances which make for circumspection. Even the keenest partisan of the Covenant as it is, without qualification of any kind, must admit that the conditions prevailing to-day are not the conditions which were envisaged when the Covenant was drawn up. I offer no apology for the smaller nations. I only try to indicate that circumstances are against the League and that it would be a disservice to the League to press unduly at the moment proposals which would receive little or no support.

The third meeting of the Council was held on the afternoon of the 28th January, at first in private and then in public. The following four items were considered at the private meeting :—

(1) *Appointment of an Auditor to the League of Nations.*—The term of office of M. Ceresa, who has audited the accounts of the League for many years, expired on the 31st December, 1937. The office required filling, and this duty devolved upon the Council. The Supervisory Commission, as the watchdog of the League's finances, had been actively engaged in seeking a successor to M. Ceresa, but was not yet in a position to suggest a name. Its Chairman suggested that the Council should authorize

its President to appoint the person, who should be proposed later by the Supervisory Commission, subject to subsequent ratification by the Council. In this suggestion the Council readily concurred, and passed the following resolution :—

“ The Council,—

“ Empowers its President to appoint as Auditor to the League of Nations, subject to ratification by the Council at its session of May 1938, the person who will be proposed by the Chairman of the Supervisory Commission.” (Documents C. 40, 1938, X, and C. 44, 1938, X.)

(2) *Advisory Committee on Traffic in Opium and other Dangerous Drugs.*—Both Greece and Czechoslovakia had proffered requests for representation by their nationals on the Opium Advisory Committee, and, further, the Council was required to appoint two assessors to fill vacancies which occurred in 1937. The Advisory Committee itself proposed the reappointment for one year of M. de Myttenaere, and this was agreed to by the Council ; but in the absence of any recommendation as to the filling of the second vacancy no further action was taken.

As to the requests of the Governments of Greece and Czechoslovakia the Council's Rapporteur, the representative of Latvia, recommended that they be acceded to and the Council agreed. This action involves the creation of one additional seat only on the Advisory Committee, since the Swedish Government has given notification that in future it will not be represented on the Committee (see Documents C. 53, 1938, XI, and C. 54, 1938, XI).

(3) *Status of Women.*—This is a matter which has been dealt with by the First Committee of more than one Assembly and at considerable length. Its inscription on the Assembly's agenda has been due in the main to the pressure exercised on delegates by women's organizations. The question was considered by the Assembly of 1937, and space is devoted to it in my report on that Assembly. In the resolution of the Assembly there is an implied recognition that the question is a national rather than an international one, and that all that was contemplated was the preparation of a comprehensive study giving full information on the legal status enjoyed by women in the various countries of the world as the result of the provisions of national law and the application of these provisions. The study is to be made by competent scientific institutes under the supervision of a committee of experts appointed by the Council. For additional information on the duties of this Committee of Experts I would refer you to Document C. 52, 1938, V. At this session the Council was called upon to appoint the Committee, and the Rapporteur, the President himself, suggested the following :—

Mme Paul Bastid (France).

M. de Ruelle (Belgium).

Mme. Anka Godjevac (Yugoslavia).

Mr. H. C. Gutteridge, K.C. (United Kingdom).

Mlle. Kerstin Hesselgren (Sweden).

M. Paul Sebestyen (Hungary).

Miss Dorothy Kenyon (United States of America).

As is usual when questions affecting women's rights are under discussion at Geneva, women's organizations were very active. The organizations were not unanimous in regarding all the persons who it was proposed should be invited to serve as best fitted to do the work, and in their desire to have on the committee well-known and strong advocates of women's rights, they lost sight of the fact that the committee's duties do not include the study of propaganda, but an examination of facts—i.e., the legal status of women as defined in national laws and the results of the application of those laws.

I had received representations by cable from the Chairman of the Australian and New Zealand Equal Rights International urging the appointment to the Committee of Mrs. Pethick Lawrence, and there waited on me a deputation of women, representing various groups, who urged not only this appointment, but the appointment of others. When the matter came before the Council I mentioned that representations had been made to me and asked that consideration might be given to them at a convenient opportunity. There can, however, be no question of additions to the committee as the amount voted by the Assembly will not cover a larger number than seven. In view of the difficulty which had been experienced in selecting from the many able and suitable persons whose names had been submitted, the Council accepted the Rapporteur's suggestion and appointed the seven persons mentioned above.

(4) *Conference for the Reduction and Limitation of Armaments.*—After the lapse of considerable time the Bureau of the Conference for the Reduction and Limitation of Armaments met in May, 1937, as the result of a resolution of the Assembly of the previous year. The Bureau, during its short session, had under consideration, amongst other matters, the draft Convention on Publicity for National Defence Expenditure which had been elaborated by the Conference itself, and as a result of such consideration, Governments which had taken part in the Conference were asked by letter whether they were in principle prepared to agree to a system of budgetary publicity based on the Convention. The Bureau hoped to meet again in reasonable time for the consideration of replies to the circular letter, and it was left to the Council to fix a date. Replies have, however, been slow in coming to hand, and, in spite of a reminding letter, only twenty-four have been received. Further, replies are still lacking from some of the chief military and naval Powers. In the circumstances, no useful purpose would have been served in fixing a date for the reassembly of the Bureau, and the Council postponed consideration until its next session (see Document C. 47, 1938, IX).

The Council then went into public session and discussed the remaining items which appeared on the agenda for the day.

The first of these was the *Question of Alexandretta* or, rather, consideration of the circumstances which had moved the Turkish Government to enter a vigorous protest against the methods adopted in preparing the regulations, and against some of the regulations themselves, governing the elections in the Sanjak, which elections are to form part of the settlement reached by the Council in May, 1937. For details I refer you to document C. 580, 1937, comprising a number of communications, together with the regulations as drafted by the Commission appointed to organize and supervise the elections in the Sanjak. The Settlement as a whole is outlined in my report dated 20th June, 1937, on the last May session of the Council.

So important a part do the elections, which are to be taken in two stages, play in the settlement, that for the first stage it was provided that they should be organized and supervised by a Commission appointed by the Council of the League and composed of nationals of States members of the League other than France and Turkey. The Commission was duly appointed and it set to work. Unfortunately, it has been charged with adopting a procedure contrary to the spirit of the Council's resolutions and with an undue regard for the opinions of the Mandatory authorities, and this, it is alleged, has not promoted impartial decisions.

At the commencement of the proceedings in Council the President invited the representative of Turkey, M. Sudak, and the President of the Elections Commission, Mr. Reid, to come to the Council table. The representative of Turkey spoke first. He maintained that the resolutions of the Council governing that part of the settlement dealing with the elections had been wrongly interpreted. The duties of the Elections Commission were twofold—firstly, to make a preparatory study and to make proposals to the President of the Council for the appointment of agents and staff to organize and supervise the electoral operations (in this work it was to take into account the opinions of the parties to the dispute); and the second of the Commission's tasks was to assist in the organization and supervision of the electoral operations themselves, and for this purpose its numbers were to be enlarged by the addition of representatives of the communities. The second phase was to be carried out without French and Turkish participation. In the opinion of the Turkish Government the separate duties had been confused and there had arisen errors not only in procedure but in substance, since it was not the duty of the Elections Commission to draw up what amounted to an electoral law containing provisions for penalties and also other measures affecting the free and direct expression of the will of the people.

M. Delbos, speaking for France, was conciliatory in reply. His Government had no hesitation in leaving the matter in the hands of the Council, and he welcomed a full discussion which he hoped would lead to an appeasement that would be acceptable to both parties.

Mr. Reid, speaking on behalf of the Elections Commission, promised to furnish the Council with any particulars required, and asked for an opportunity of replying to the charges formulated by Turkey.

M. Unden, who represented Sweden at this session of the Council and succeeded M. Sandler as Rapporteur, was of opinion that if it was a question of introducing an adjustment within the framework of the regulations formulated by the Council he might indicate a method during the present session of the Council, if the French and Turkish Governments were agreed on such a course. But if it was a question of giving an authoritative interpretation to the Council's decisions of May, 1937, then he would have to propose judicial procedure.

M. Sudak, having agreed that adjustments should be made in agreement with the representative of France, and the President of the Elections Commission having offered no objection to this course, M. Unden promised to proceed to an urgent study of the questions at issue and to submit a report before the close of the session.

The Rapporteur's report was submitted at the meeting of the Council held on the 31st January and the document is C. 65, 1938. It was drawn up as a result of meetings between the Rapporteur and the representative of the countries concerned, and it proposed the creation of a Council committee, consisting of the representatives of Belgium, the United Kingdom, France, Sweden, and Turkey, whose task it would be to make such modifications as would be found necessary in the electoral regulations which had already been drawn up. For this purpose the President of the Elections Commission would be consulted. The report also provided that the decisions of the Committee must be unanimous. The Rapporteur asked the Council for authority to submit the findings of the Committee to the President of the Council, who would in turn pass them to the Mandatory Power for promulgation in the Sanjak. After short speeches by the representatives of Turkey, France, and Great Britain the report was adopted. Again we have an excellent example of the success of the methods of conciliation which the machinery of the League provides (see also Document C. 60, 1938).

FINANCIAL COMMITTEE: REPORT ON THE WORK OF ITS SIXTY-FIFTH SESSION.

The Financial Committee's report is Document C. 569, M. 405, 1937, II A, whilst the comments of the Rapporteur to the Council, the representative of Sweden, are contained in Document C. 11, 1938, II A.

The Financial Committee's report covers a wide field such as the Falsification of Securities (dealt with separately by the Rapporteur), Quotas and Exchange Control, Raw Materials, Economic Depressions, Agricultural Credits and Monetary Problems, and the Financial Situation of Bulgaria and Hungary.

Much of the time of the Financial Committee was spent in a consideration of a number of resolutions passed by the 1937 Assembly, and the matters affected by these resolutions are dealt with at some length in the Committee's report. The Council passed the following resolution, and I would invite your attention especially to the fourth and fifth paragraphs thereof :—

“ The Council—

“ 1. Takes note of the report of the Financial Committee on the work of its sixty-fifth Session.

“ 2. Authorizes the Economic and Financial Committees to invite, should occasion arise, representatives of certain Governments to come to Geneva to discuss the questions raised by the Assembly in its resolution relating to measures designed to increase international exchanges and to facilitate the removal of exchange control.

“ 3. Requests the Secretary-General to communicate the proposal concerning the mutual granting of short-term credits by central banks contained in the Report of the Committee for the Study of the Problems of Raw Materials to the Bank for International Settlements for examination by central banks.

“ 4. Decides to appoint a delegation composed of certain members of the Economic and Financial Committees, or other persons of similar competence, and some economists to conduct an inquiry into measures that might be employed with a view to the prevention or mitigation of economic depressions.

“ 5. Requests the Secretary-General to invite Governments to furnish—

“ (a) Brief statements of the measures adopted in recent years with a view to reviving economic activity, indicating in so far as possible the relative order of the importance of those measures :

“ (b) A summary of any measures of a more permanent character adopted by them with a view to the prevention or mitigation of depressions in the future.”

REPORT OF THE COMMITTEE OF JURISTS APPOINTED TO STUDY THE QUESTION OF THE SUPPRESSION OF THE FALSIFICATION OF SECURITIES.

This question has been under consideration for a long time. A Committee of Jurists, assisted by members of the Financial Committee, prepared a draft protocol to be added to the Convention for the Suppression of Counterfeiting Currency. The draft will be found in the report of the Committee of Jurists, Document C. 542, M. 379, 1937, IIA. The Council, on the motion of its Rapporteur, the representative of Sweden, passed the following resolution (see Document C. 14, 1938, IIA) :—

“ The Council—

“ (a) Takes note of the report of the Committee of Jurists for the Suppression of the Falsification of Securities and the observations on that report by the Financial Committee :

“ (b) Expresses its thanks to these two bodies for the work which they have done on this subject :

“ (c) Requests the Secretary-General to communicate the protocol drawn up by the Committee of Jurists, together with its report and the observations of the Financial Committee thereon, to Governments of members of the League and of non-member States, requesting them to state whether they feel that the draft should be taken into consideration, and, if so, to inform the Secretary-General of their views, both with regard to the main objects and the suggested means of attaining them, and also with regard to the draft protocol.”

FISCAL COMMITTEE : REPORT ON THE WORK OF ITS SEVENTH SESSION.

The Standing Committee of the League deals with such questions as tax-collection, double taxation, and tax systems, and there is no doubt that its study of fiscal questions has led to conclusions which have been of considerable use to national administrations. A perusal of its report, Document C. 490, M. 331, 1937, IIA, clearly indicates this, particularly the section dealing with international conventions recently concluded for the avoidance of double taxation and for the settlement of other questions relating to taxes. The committee has attempted to assist Governments to combat evasion of payments of taxes on movable capital, but the draft convention elaborated by the committee is not acceptable to the majority of Governments, probably because of the difficulty in getting through legislation to enable Governments to obtain from their nationals information needed only by the tax authorities of foreign countries. It may be possible to do something without a convention, and in this connection a questionnaire has been prepared, which is contained in the Fiscal Committee's report.

As to tax systems, the inquiry conducted by the Fiscal Committee had relation to their behaviour under economic fluctuations. A great deal of information has been gathered, and this is to be co-ordinated and reported upon. The Rapporteur's report to the Council is Document C. 13, 1938, IIA, and the Council passed the following resolution :—

“ The Council—

“ 1. Takes note of the report of the Fiscal Committee on the work of its seventh session and adopts the present report.

“ 2. Requests the Secretary-General—

“(a) To communicate to Governments the report of the committee and to invite them to reply, if possible before May 1st, 1938, to the questionnaire contained in Section I of that report :

“(b) To take the necessary measures for the preparation of an objective statement for publication on the behaviour of the tax systems based on the studies which have been furnished to the Fiscal Committee.

“ 3. Decides to appoint a small committee of economists to consider what conclusions of an economic order may be drawn from the evidence afforded by the inquiry on the behaviour of tax systems.

“ 4. Authorizes the Fiscal Committee to invite budgetary experts and some of its corresponding members to attend its next session in the capacity of assessors.”

ECONOMIC COMMITTEE : REPORT ON THE WORK OF ITS FORTY-SEVENTH SESSION.

The Committee's report is Document C. 577, M. 411, 1937, IIb, and the Rapporteur's comments are contained in his report to the Council, Document C. 22, 1938, IIb.

The question of access to raw materials has been before the League for some time and has been the subject of more than one valuable report. Two of the countries which are normally importers of large quantities of raw materials have not taken any active part in the inquiry. Nevertheless a stage has been reached at which interested Governments are to be asked whether, in their opinion, the time is ripe for international action, and a suggestion of the Council's Rapporteur on these lines was approved.

A question of considerable importance to most countries, and especially to those exporting food-stuffs, is the improvement in the standard of living. The Economic Committee has been charged by the assembly with an inquiry into this problem, and it has taken preliminary steps with the aid of certain experts. Related to this question is the problem of economic depressions and an examination of the possibility of framing measures for their prevention and mitigation. Into this question the Financial Committee of the League is making investigations and is assisted by some members of the Economic Committee ; indeed, on several matters the two committees work in close collaboration. No action other than approving the Rapporteur's report was required on the part of the Council.

NUTRITION.

The Rapporteur, the representative of Belgium, laid before the Council a report, which is numbered C. 51, 1938, IIa. The reports furnished by your representative on the annual assemblies have dealt with the question of nutrition as examined by the mixed committee appointed by the Assembly of 1935. Last year's Assembly decided that although the mixed committee had completed its report the question should not lie dormant, and it passed a resolution inviting the Council to arrange for annual meetings of representatives of National Nutrition Committees. The Council was called upon to take action in respect of this resolution. Paragraphs 3 to 7 of the Rapporteur's report deal with the suggested meetings of representatives of National Nutrition Committees and were endorsed by the Council, which passed the following resolution :—

“ The Council—

“ 1. Requests the Secretary-General to inquire of all States members whether they have set up a national nutrition committee, and, if so, to supply him, in time for the next ordinary session of the Council, with information as to the composition of this committee, its statutes, and its terms of reference.

“ 2. Decides to determine at its next ordinary session which States shall be invited to send representatives to a meeting of national nutrition committees to be held at Geneva.”

MANDATES.

The Council had before it the report of the representative of Roumania on the work accomplished by the Permanent Mandates Commission during its thirty-third session (Document C. 48, 1938, VI). The Permanent Mandates Commission examined during that session the annual reports on the administration under mandate of Syria and Lebanon, Ruandi-Urundi, Cameroons, Togoland, islands under Japanese mandate, and Western Samoa. Your representative who attended the meetings of the Permanent Mandates Commission devoted to the examination of the report on the administration of Western Samoa has already reported on the examination, and no useful purpose would be served here in commenting on that examination. Nor do the proceedings of the Council call for observation. Under the resolution of the Council the observations of the Permanent Mandates Commission on the administration of the various territories will be transmitted to the Mandatory Powers.

HEALTH COMMITTEE : REPORT ON THE WORK OF ITS TWENTY-SIXTH SESSION.

My report to the Council is Document C. 32, 1938, III. The reconstructed Health Committee is now functioning, and during its session early in November last it dealt with a number of matters of a technical nature, for information on which I refer you to its report (Document C. 535, M. 372, 1937, III). There are, however, two points of a non-technical character to which I will briefly refer.

The system of appointing associate or correspondent members to attend meetings of the Health Committee at the expense of the Governments appointing them received the approval of the Council some time ago. It has been taken advantage of by Japan, which, although not a member of the League, has interested herself in humanitarian phases of the League's work. The Belgian Government has

followed suit, and requests from other Governments to be allowed to nominate associate members were accepted. But this system of appointing associate members will not solve a difficulty which may occur in obtaining a quorum of the Committee. Under the new constitution the Health Committee was much reduced in numbers, and it is conceivable that illness or pressing engagements may prevent some of the members attending. The general regulations governing committees of the League provide for meeting a difficulty of this kind, and these regulations will no doubt be invoked. On learning that there was to be a preliminary discussion between the Chairman of the Committee and the Secretary-General on the subject I was content to recommend the Council to await the result of such discussion. The problem will probably be solved by the appointment of a panel of deputy members, from which substitutes can be selected to replace full members when the latter cannot attend. I can conceive however, that Governments would desire that substitutes attending should be of the same nationality as those temporarily replaced, and that a selection from a panel of persons of nationals not already represented on the Committee would not always meet the position. However, the matter was not discussed in detail, and I will do no more than refer to it here. The Council accepted my report without passing any formal resolution.

PERMANENT CENTRAL OPIUM BOARD: REPORT ON THE STATISTICS OF NARCOTICS FOR THE YEAR 1936, AND THE WORK OF THE BOARD DURING 1937.

Under the Conventions relating to Opium and Allied Drugs of 1925 and 1931, the Permanent Central Opium Board issues an annual report on its work and on the statistics gathered together during the preceding year. The report on the work of the Board for 1937 and on the statistics for 1936 has been issued as publication C.C.P. 212, and this was before the Council. No formal resolution was proposed, and the Council noted the contents of its Rapporteur's report (Document C. 25, 1938, XI). It will be noted that a member of the Board, Professor Gallavresi, an Italian, who was connected with various League activities for a considerable number of years, has died. It is not intended to replace him, as the whole Board is to be renewed at the end of this year.

WORK OF THE INTERNATIONAL CONFERENCE FOR THE REPRESSION OF TERRORISM.

This Conference met in Geneva in November last for the purpose of examining and finalizing a draft which had been drawn up by a Preparatory Committee. As a result of the Conference two conventions were drawn up, one for the Prevention and Punishment of Terrorism and one for the Creation of an International Criminal Court. The first was signed by twenty-one Governments and the second by eleven Governments, and they remain open for further signatures until the end of May, 1938. There was no necessity for New Zealand to be represented at the Conference. The conventions were brought under the notice of the Council by its Rapporteur, who was the President himself, and the Council adopted his suggestion that the documents should be communicated to certain States non-members of the League, such States being the United States of America, Brazil, Costa Rica, Danzig, Germany, Iceland, Japan, and Liechtenstein (Document C. 50, 1938, V).

It was hoped that the Council would be able to complete its agenda at a meeting called for Saturday, the 29th January, but it did dispose of all items but two. The exceptions were the item entitled "Appeal of the Chinese Government" and "Alexandretta." The former had not so far been brought before the Council in a formal manner, but it was known that certain members of that body had been in consultation, and, further, there had been some comment in the press on the methods which were being applied to a discussion of the question. As is its custom, the Council first met in private and then in public on the evening of the 29th January, when the following items were considered:—

Financial Reconstruction of Hungary: Loan issued in accordance with the Protocol of March 14th, 1924; and

Free City of Danzig; State Loan of 1927 and Municipality Loan of 1925.

The report presented by the representative of Sweden deals exclusively with the action to be taken by the Council in replacing Mr. C. E. ter Meulen as Trustee of certain loans issued under the auspices of the League of Nations. Mr. ter Meulen, a banker of international reputation who had been connected with the League almost since its birth and was prominent in connection with the Brussels Financial Conference of 1920, had met with an accident in November which resulted in his death. For a brief appreciation of his services I would refer you to the Rapporteur's report (Document C. 17, 1938, II A). The Rapporteur's proposal that M. A. W. A. Meijer be appointed to replace Mr. ter Meulen was accepted by the Council.

INTERNATIONAL LOAN CONTRACTS COMMITTEE.

The Rapporteur's report (Document C. 19, 1938, II A), is concerned with the replacement of Mr. ter Meulen, referred to above, by Mr. H. A. van Nierop as a member of the Committee set up to examine the means for improving contracts relating to certain classes of international loans. This suggestion was approved by the Council. I need do no more than draw attention to the reappointment by the Council of Mr. Reuben Clark as a member of the International Loan Contracts Committee.

ECONOMIC DEPRESSIONS : DETERMINATION OF A PROCEDURE.

This item had already come before the Council and is mentioned earlier in this report. It remained for the Council to approve the names of the body appointed to consider the question. The Rapporteur, the representative of Sweden, proposed a delegation of seven persons. This proposal was accepted by the Council, which passed the following resolution :—

“ The Council—

“ Invites the following persons to serve on a Delegation to study and report on the measures which might be employed with a view to the prevention or mitigation of economic depressions :

“ Sir W. W. Rieffer
“ Sir Frederick Phillips } Financial Committee :

“ M. R. Ryti
“ Mr. F. L. McDougall } Economic Committee :

“ M. J. Rueff, Director of the ‘ Mouvement des Fonds ’ at the Ministry of Finance, Paris :

“ Professor B. Ohlin, of the University of Stockholm :

“ Dr. O. Morgenstern, Director of the Austrian ‘ Konjunktür ’ Institut.”

FISCAL COMMITTEE—REPORT ON THE WORK OF ITS SEVENTH SESSION : APPOINTMENT OF A COMMITTEE OF ECONOMISTS.

This is another item which had already received consideration by the Council, who had approved the appointment of a small committee of economists to draw conclusions from the information collected during the inquiry on the behaviour of tax systems and to report thereon. In the opinion of the Rapporteur, the representative of Sweden, there should be a link between this small committee of economists and the delegation appointed to consider economic depressions. On the latter body will be found the names of two economists, Professor O. Morgenstern, Director of the Austrian “ Konjunktür Institut,” and Professor B. Ohlin, of the University of Stockholm. The Rapporteur suggested that these should also serve on the Committee of Economists formed to advise the Fiscal Committee, together with three other economists in the persons of Professor E. Allix, Dean of the Faculté de Droit, Paris ; Mr. R. G. Hawtrey, Treasury, London ; and Professor G. M. Verrijn Stuart, jun., of the University of Utrecht. The Rapporteur’s proposal was approved by the Council (see Document C. 59, 1938, IIa.)

STRUCTURE AND FUNCTIONS OF THE ECONOMIC AND FINANCIAL ORGANIZATION OF THE LEAGUE OF NATIONS.

The report of the representatives of France, Poland, and Sweden (Document C. 61 (1), 1938, II) has reference to the composition of a committee to be set up in virtue of a resolution of the Assembly of 4th October, 1937. The Council approved of the nomination of the following :—

A member from the United Kingdom :

M. Georges Bonnet, Minister of State (France) :

The Right Honourable S. M. Bruce, High Commissioner for Australia in London :

M. T. Komarnicki, Minister Plenipotentiary, Permanent Delegate of Poland to the League of Nations :

M. S. Osusky, Envoy Extraordinary and Minister Plenipotentiary of Czechoslovakia in Paris :

M. C. Parra-Perez, Envoy Extraordinary and Minister Plenipotentiary of Venezuela in Berne :

M. K. I. Westman, Envoy Extraordinary and Minister Plenipotentiary of Sweden in Berne, Permanent Delegate to the League of Nations :

Mr. Hume Wrong, Dominion of Canada Advisory Officer accredited to the League of Nations.

The terms of reference of the committee are to consider the structure and functions of the economic and financial organization, more particularly with a view to extending the basis of international co-operation in the economic and financial spheres.

INTERNATIONAL ASSISTANCE TO REFUGEES.

This question occupied a considerable proportion of the time of the 1937 Assembly, and occasionally feeling ran somewhat high. It is briefly dealt with in my report on that Assembly, which passed a resolution requesting the Council to draw up, or to cause to be drawn up before the next Assembly, a plan for international assistance to refugees. On the proposal of its Rapporteur, the representative of Bolivia, the Council decided to appoint a committee of three of its members to examine the question. For convenience of reference I quote the Council’s resolution :—

“ The Council—

“ Approves the proposal submitted by its Rapporteur with a view to giving effect to the resolution adopted by the Assembly on October 5th, 1937, regarding the preparation of a plan for international assistance to refugees ;

“ Decides for this purpose to appoint a committee consisting of the representatives of Bolivia, the United Kingdom and France ;

“ Requests this committee to submit to the Council at its next session a report on the questions relating to international assistance to refugees referred to the Council by the Assembly resolution.”

CONSTITUTION, PROCEDURE AND PRACTICE OF COMMITTEES OF THE LEAGUE OF NATIONS.

The report brought before the Council by the representative of France (Document C. 56, 1938, VIII) is concerned with the composition and appointment of the Committee for Communications and Transit, one of the standing committees of the League. The question had been referred to a committee of experts which had failed to agree, and a small committee of the Council had been set up to solve the various problems. Fortunately, the Council committee was able to reach unanimity, although the representative of Belgium would have preferred certain adjustments. The conclusions reached by the committee and the Council are contained in the annex to Document C. 56, 1938, VIII, and to this I refer you. The Rapporteur's own report to the Council (Document C. 64, 1938, VIII) deals with this matter and also with a note by the Secretary-General (Document C. 8, 1938). On the former question the Council passed the following resolution:—

“ The Council—

“ Having regard to the Assembly's resolution of October 10th, 1936, empowering the Council to draw up and approve on its behalf the new Statute of the Communications and Transit Organization ;

“ Having taken note of the draft of that statute and its annex and the explanatory report drawn up by the Special Committee of Experts ;

“ Having taken note of the report of the Council Committee, which has agreed on the text of certain provisions of Article 4 of the draft statute on which the Special Committee failed to reach unanimity and certain provisions of Article 5 which required modification in the light of the new text of Article 4 ;

“ Adopts the conclusions of its Rapporteur ;

“ Approves, in view of the aforesaid resolution of the Assembly, the new Statute of the Communications and Transit Organization and the Rules of Procedure for General and Limited Conferences on Communications and Transit thereto annexed, these texts to come into force as from to-day ;

“ Requests the Assembly, at its ordinary session in 1938, to proceed to the elections provided for in Article 4 of the statute, as to enable the Council to nominate the members of the Committee for Communications and Transit at a subsequent session, and if possible at its session in January, 1939 ;

“ Draws the attention of Governments to the fact that the Assembly at its next ordinary session and those which will be held at the end of each three-year period, as from 1938, will be required to discharge the functions hitherto performed by the ordinary General Conferences of the Communications and Transit Organization, and expresses the hope that the delegations at such sessions will include members specially qualified to deal with the questions falling within the organization's competence.”

The draft statute for the Organization for Communications and Transit forms an annex to the Rapporteur's report.

On the latter question (the note of the Secretary-General) the Council accepted the Secretary-General's suggestion in regard to two committees which had not met for two years—

(1) That the Committee of Thirteen set up for the purpose of proposing methods to render the League covenant more effective in the organization of collective security should be abolished, as this question was likely to be dealt with by the committee appointed to study the application of the principles of the covenant.

(2) That no decision should be taken in regard to the advisory committee set up to follow the dispute between Bolivia and Paraguay, as this committee had been constituted by the Assembly.

It should be noted that at this private meeting the Council postponed to its next session consideration of the Item “ Treaty of Mutual Guarantee between Germany, Belgium, France, Great Britain, and Italy.”

The Council then went into public session.

CO-ORDINATION OF THE WORK ENTRUSTED TO THE ECONOMIC AND FINANCIAL ORGANIZATION OF THE LEAGUE OF NATIONS.

The Assembly of 1937, seized with the importance of the functions of these two organs of the League, requested the Council to co-ordinate their work by appropriate means. The members of the Council who acted as Rapporteurs on economic and financial questions (the delegates of Poland and Sweden), in association with the representative of France, proposed that the question be referred to the committee set up (at the private meeting just terminated) to consider the structure and functions of the Economic and Financial Organization. The following resolution was passed by the Council:—

“ The Council—

“ 1. Takes note of the resolution adopted by the Assembly on October 4th, 1937, requesting it to co-ordinate the work entrusted to the Economic and Financial Organization ;

“ 2. Refers this question to the committee set up to consider the structure and functions of the Economic and Financial Organization ;

“ 3. Requests that committee to submit its recommendations on the subject in time for the Council to consider them at its next ordinary session.” (Document C. 62, 1938, II.)

APPLICATION OF THE PRINCIPLES OF THE COVENANT.

In accordance with the decision taken at the preceding private meeting, the representative of Chile was called to the Council table. The Council was required to consider the importance of obtaining, as occasion offered, such observations and suggestions as States non-members and States which had announced their withdrawal from the League might see fit to put forward in regard to the application of the principles of the Covenant. This is our old friend the universality of the League of Nations in another guise, a matter on which representatives of Chile have been prominent in debate in the Assembly, the Council, and the Committee of Twenty-eight. The representative of Chile spoke, and he was followed by the representative of Peru. To their speeches I refer you. I do not think that there is anything new to be said on the subject. Questions of high policy are involved, and there is a cleavage of opinion. The Committee of Twenty-eight was due to meet in two days, and no useful purpose could have been served by prolonging discussion in the Council. The representative of Peru proposed that action should be postponed until the May session of the Council, since, in his own words, "We shall see more clearly and our views will be more definite as to how all the parties concerned conceive this recasting of the Covenant, which seems calculated to modify the very spirit of the League." The Council agreed to this proposal.

At a private meeting of the Council held on the 31st January the Secretary-General referred to an appeal which had in a previous session been brought under the Council's notice by certain former members of the Secretariat who had been stationed in the Saar. The appeal was for a reconsideration of the grants which had been made to them after they had severed their connection with the League, a severance due to the result of the plebiscite and the reoccupation of the Saar territory by Germany. The representatives of France, Sweden, and the Union of Soviet Socialist Republics were in favour of the Council's taking action which would arrive at a more satisfactory solution, whereupon the Secretary-General stated that as soon as he had obtained all the information he required he would place proposals before the Council.

The Council met for the last time on the 2nd February, first in private and afterwards in public, to consider the Appeal of the Chinese Government. Exception was taken by some members of the Council at the methods which had been adopted in examining this item of the agenda, and their grievances were ventilated at the private meeting. During the earlier part of the session the subject had not come up for formal discussion by the Council, nor had the ordinary procedure been adopted—*i.e.*, no Rapporteur had been appointed, nor had the matter been referred to a committee of the Council. Nevertheless, there had been consultations in which the representatives of the United Kingdom, France, the Union of Soviet Socialist Republics and of China herself had taken part, and the Council was faced, at short notice, with a draft resolution which the framers apparently hoped would meet the situation. It was eventually passed by the Council with two abstentions, and I quote it for convenience of reference :—

"The Council—

"Having taken into consideration the situation in the Far East,

"Notes with regret that hostilities in China continue and have been intensified since the last meeting of the Council,

"Deplores this deterioration in the situation the more in view of the efforts and achievements of the National Government of China in her political and economic reconstruction,

"Recalls that the Assembly, by its Resolution of October 6th, 1937, has expressed its moral support for China and has recommended that members of the League should refrain from taking any action which might have the effect of weakening China's power of resistance and thus of increasing her difficulties in the present conflict, and should also consider how far they can individually extend aid to China,

"Calls the most serious attention of the members of the League to the terms of the above-mentioned resolution,

"Is confident that those States represented on the Council for whom the situation is of special interest will lose no opportunity of examining, in consultation with other similarly interested Powers, the feasibility of any further steps which may contribute to a just settlement of the conflict in the Far East."

Now, as I have observed before, there had been considerable criticism on the methods adopted for discussing the question outside the Council chamber, and some organs of the press had been somewhat outspoken. The spokesmen of the States represented on the Council for whom, in the words of the resolution, the situation was of special interest, made quite a good case. They had no intention of flouting the Council. The delegate of China had approached them, and this the delegate of China himself confirmed. Apparently one reason for acting in such a manner was to avoid any semblance of involving elements not represented in the League and to follow logically the decision, or perhaps we should say want of decision, of the Brussels Conference. It was regrettable that occasion should have been given to critics to voice their disapproval, and in ordinary circumstances we might allow the matter to rest there. The debate in Council was opened by the representative of China, Mr. Wellington Koo, who gave an account of recent happenings in his country and examined the implications of Japanese policy towards China. He accepted the resolution, but he confessed that it did not go nearly so far as China would have wished, for China looked for positive results on the part of the League.

Mr. Wellington Koo was followed by the representative of Ecuador, who stated that on the instructions of his Government he would vote in favour of the resolution, the last paragraph of which he proceeded to interpret as involving no action by the League without further reference to the Council. (Of course, no other interpretation is possible.) In view of the varying attitude of States

members regarding their obligations under the Covenant, the Government of Ecuador would not have consented to its representative voting in favour of a resolution under which the League delegated its powers to a few States.

The representative of Poland indicated that he would abstain from voting as he could not associate himself with a resolution which gave in advance the support of the League to any action undertaken outside the League, whether by one or several States.

The representative of Peru also announced that he would abstain from voting, since too little time had been allowed for a proper consideration of a draft which was prepared by certain members of the Council without the remaining members taking part in its preparation.

Speeches from the representatives of Great Britain, France, and the Union of Soviet Socialist Republics, the powers "for whom the situation is of special interest," disclaimed any desire to act in an unconstitutional manner. Their aim had merely been to facilitate the work of the Council.

Mr. Wellington Koo also spoke a few conciliatory words.

There is no need to pursue the matter. Disappointed as all well-wishers of the League must be, no one with the experience of the League's handling of the Chinese appeal last year and of the Brussels Conference could reasonably have expected much more. As to the criticism of the manner in which this item of the Council's Agenda was brought before that body, while in theory it may be sound, there is little doubt that the method adopted made for economy of time and speech. We must face realities: use the instrument that we possess, and to the extent that conditions make possible, hoping that the day is not far distant when the Covenant will become a reality.

As to the resolution itself, I would like to draw your attention to the remarks I made at a private meeting of the Council when the procedure to be adopted at the public meeting was under discussion. I spoke as follows:—

"I see no particular reason to mention who drafted the resolution. What does it matter who drafted it? The point is not who makes any given proposal, but what it is that is proposed.

"Of the present proposal, the first five paragraphs are hardly matter for discussion. They call 'the most serious attention of the members of the League to the terms of the above-mentioned resolution.' If the members of the League have forgotten what happened on October 6th, 1937, it reminds them. If they have not forgotten it, so much the better.

"The last part of the resolution comes to the point, but in non-committal terms. It expresses the confidence of the Council that certain States will do certain things. It does not say, they *will* do them; it says the Council is *confident* they will do them. It says they 'will lose no opportunity of examining, in consultation with other similarly interested Powers, the feasibility of any further steps which may contribute to a just settlement of the conflict in the Far East.' The Japanese representative, if he were here, could agree to that. The point is, what we mean by 'a just settlement of the conflict in the Far East'; and that is where we part company. The resolution, in short, is a carefully-drawn document upon which we can hang anything, so that it seems there is no need for a long discussion on it. I am impressed by the fact that the representative of China acquiesces in the passing of the draft. That influences me, and I see no reason at all why we should not pass it in public session and let it go out to the world. If it is publicity we want, we are all free to speak."

Yours sincerely,
W. J. JORDAN,
High Commissioner.

The Right Honourable the Prime Minister of New Zealand,
Wellington, New Zealand.

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