A.—5.

The first portion of the resolution, dealing with the adjournment of the discussion, was carried unanimously, but the second portion, concerning the liberty of members to interpret their obligations, obtained twenty-eight votes against five. As unanimity was required, the second portion was therefore not passed.

5

Proposed Amendments to Article 5 of the Covenant.—These proposed amendments aim at derogation from the principle of unanimity. The report of the Committee is No. A. 119 (9), and gives its opinion that the question is not ripe for discussion in its varied aspects, and for that reason it would be advisable to postpone discussion until a later date.

The Assembly, on the 5th October, unanimously concurred in the opinion of the Committee.

Proposed Amendment to Article 14 of the Rules of Procedure.—This amendment involves an addition to Article 14 of the Rules of Procedure, providing for the submission to the Financial Committee for opinion, before being passed by the Assembly, resolutions involving expenditure. An addition in the following terms was unanimously agreed to by the Assembly on the 5th October:—

"Resolutions involving expenditure shall not, however, be voted by the Assembly before the Financial Committee shall have expressed its opinion on the advisability of the

proposed expenditure with regard to general budgetary resources."

Proposed Amendment to Article 4 of the Covenant (Election of Non-permanent Members of the Council).—The committee's report is No. A. 119 (10), and its conclusions were submitted to the Assembly on the 5th October. The Assembly adopted the first and second paragraphs unanimously, and the third paragraph, involving an amendment to the Covenant, was also adopted, but in this case eleven States were absent or abstained from voting.

The Assembly then proceeded to elect the four non-permanent members of the Council; but, having adopted the recommendation of the First Committee, that for the year 1922 the members then sitting should be re-elected, there was nothing to do but to re-elect Brazil, Spain, Belgium, and China, and the representation of these States on the Council was extended for a year.

On the 5th October there was opened for signature a protocol by which representatives of members of the League accept the amendments passed by the Assembly. As, however, I did not consider I had the authority to sign a protocol involving the acceptance by New Zealand of amendments having a most important bearing on the principles of the League, I did not sign the protocol. . . .

COMMITTEE No. 2.

Communications and Transit.—On the 22nd September the Assembly considered the report of the Advisory and Technical Committee for Communications and Transit, with the comments of the Second Committee. Several papers bearing on this matter, which is important in a high degree for many countries, although in only a small degree for New Zealand, have already been sent to you. The enclosed documents, A. 45 and A. 98, give a brief indication of the work accomplished. The four resolutions proposed by the committee were passed by the Assembly with a slight amendment to that numbered 1, the amendment providing for meetings of the General Conferences on Communications and Transit at the request of one-half instead of one-third of the members of the League. The amendment is, of course, an improvement, and should make for the prevention of unnecessary meetings, and consequent economy. (See Document A. 118.)

In my letter of the 15th July, No. A. 191, I stated that Sir H. Llewellyn Smith had signed on behalf of New Zealand the Conventions of Freedom of Transit and Navigable Waterways of International Concern. On the 22nd September I received a letter from him advising that on the 16th idem he signed on behalf of the Dominion the protocol on the navigation of national waterways, at the same time indicating that the alternative (a) was accepted.

Health Organization.—It is unfortunate that it has not been possible to give full effect to the series of resolutions passed by the First Assembly on the 10th December last, providing for the creation of an international health organization. It will be recollected that one of the main objects of these resolutions was the absorption of the Office International d'Hygiene Publique, in Paris. Principally owing to the action of the United States, which is a party to the Rome Convention of the 9th December, 1907, setting up the Office International, and objects to absorption, it became necessary to adopt other measures. The question was carefully studied by Committee No. 2, and the results of its labours are embodied in Document No. A. 109. It will be seen that the scheme for a health organization as proposed by the Council is confirmed by the committee, but it is only provisional, and it is to be hoped that ultimately the Office International will be incorporated. The draft resolution on page 4 of the document was passed unanimously by the Assembly on the 23rd September.

International Statistics.—On the 27th September the Assembly adopted the report presented to it with reference to the organization of international statistics, and passed the resolution with which Document A. 139 concludes. A number of papers bearing on this subject have, I understand, already been sent to you from Geneva, and you will find others (numbered A. 12) amongst the miscellaneous documents I am forwarding not enumerated in the text of this report. . . .

Economics and Finance.—On the 28th September the Assembly considered the committee's report on the work of the Provisional Economic and Financial Committee, and passed the resolutions with which Document A. 144 concludes (with this document should be read those numbered A. 9, A. 95, and A. 112). Most papers issued by the League bearing on economics and finance are of interest, but I specially draw your attention to that treating of raw materials. Last year there was a tendency to lay stress on the claims of States which are not producers in sufficient quantities of the raw materials necessary for their manufactures, and I am sure you will read with satisfaction the paragraph on page 5 of the Raw Materials Report, which runs: "There is no question of challenging the incontestable