

1925.
NEW ZEALAND.

THE LEAGUE OF NATIONS.

REPORT OF THE REPRESENTATIVE OF THE DOMINION OF NEW ZEALAND ON THE FIFTH
ASSEMBLY OF THE LEAGUE OF NATIONS, HELD AT GENEVA IN THE YEAR 1924.

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

FIFTH ASSEMBLY OF THE LEAGUE OF NATIONS.

SIR,—
New Zealand Government Offices,
Strand, London W.C. 2, 15th October, 1924.
I have the honour to state that I left London on Saturday, 30th August, in order to attend the Fifth Assembly of the League of Nations, and arrived in Geneva on the following day.

OPENING OF PROCEEDINGS AND ELECTION OF PRESIDENT.

The first meeting of the Assembly, which took place on Monday, 1st September, was opened by Monsieur Hymans, the representative of Belgium and President of the Council, which was then in session. Monsieur Hymans made a long speech, which you will find reported in the Record of Proceedings, but beyond this the only business of the first meeting was the formal one of appointing a committee to examine the credentials of the representatives. At the second meeting, in the afternoon, the chairman of that committee made a report, and the Assembly then proceeded to elect its chairman. It was expected that Monsieur Motta, the chief representative of Switzerland at the Assembly, would be elected President, and forty-five out of forty-seven votes were recorded in his favour. Having taken the chair, he proposed a committee of seven to examine further items submitted for, but not yet included in, the agenda. The Assembly agreed to the President's proposal, and proceeded to examine the agenda (Document A. 3 (1)) and to allocate the items amongst the six committees which are usually appointed to deal with—(1) Juridical questions; (2) technical questions; (3) disarmament; (4) financial questions; (5) social questions; (6) political questions.

The Assembly then adjourned, on the understanding that on the morning of the following day the delegates appointed to sit on the various committees would assemble in order to elect their chairman.

REPRESENTATION OF NEW ZEALAND.

As I was the only delegate for New Zealand, and there had accompanied me to Geneva only two members of my staff, Mr. C. Knowles and Miss E. Hannam, it was impossible to arrange for New Zealand to be represented at every meeting of each committee. I therefore decided to become a member of each committee and thus be in a position to attend any meetings; but resolved to confine myself, as far as possible, to the meetings of Committees Nos. 1 and 3, and those of No. 6 when they dealt with mandates. I arranged for Mr. Knowles to act as substitute on Committees Nos. 2, 4, and 5 on the understanding that he confined himself as much as possible to the meetings of Nos. 2 and 4. I felt this arrangement would be in the best interests of New Zealand, owing to the importance which the questions of disarmament and security had assumed. As the previous arrangement whereby committees met in groups on alternate days (Nos. 1, 2, and 3 forming one group, and 3, 4, and 5 another) was this year changed, in order to allow Committees Nos. 1 and 3, which dealt with questions closely allied, to meet on different days, I was reluctantly obliged to abandon my intention of attending personally the meetings of Committee No. 4, in the proceedings of which I took an active part during the First, Second, Third, and Fourth Assemblies.

ELECTION OF OFFICERS OF ASSEMBLY.

The voting of the various committees for the election of their chairman, which took place on the 2nd September, showed the following results: Committee No. 1—Sir Littleton Groom (Australia); Committee No. 2—M. Garay (Panama); Committee No. 3—M. Duca (Roumania); Committee No. 4—M. Adacti (Japan); Committee No. 5—M. Zahle (Denmark); Committee No. 6—M. Enckell (Finland).

The Assembly met again the same day and at once proceeded to vote for six Vice-Presidents of the Assembly, who, with the six Presidents of the Committees, form the officers of the Assembly. Those elected were—Lord Parmoor (Great Britain); M. Bourgeois (France), M. Salandra (Italy), M. Urrutia (Colombia), M. Tang Tsai Fou (China), M. Skryznski (Poland).

The Assembly and the committees having been properly constituted, it was possible to proceed with the business of the session.

DISARMAMENT.

Mr. MacDonald, the British Prime Minister, arrived in Geneva on Wednesday, the 3rd September, and took his place in the Assembly as the principal delegate of Great Britain. The announcement then made, that he would speak on the following day on disarmament, excited much interest, especially as it was felt that he might have something to say of a constructive nature. On Thursday he received a remarkable ovation, both before and after his speech, which was followed with close attention. Whilst mainly a plea for compulsory arbitration, the speech touched on many points, including the reasons which had actuated Great Britain in rejecting the proposed Treaty of Mutual Assistance, and the powers which the League already possessed under the Covenant to prevent war between States members of the League. Mr. MacDonald's speech will be found in the Record of the Sixth Plenary Meeting of the Assembly.

Apart from the question of security, which was bound to be raised by some nations, and the reliance on the sanctions contained in the Covenant, felt by others, Mr. MacDonald's speech was bound to be criticized on the score that he had given no adequate lead on the steps to be taken in the event of a refusal to arbitrate or of a decision of a Court of Arbitration not being accepted by a country which had been a party to the proceedings. Several of the speakers who followed, particularly the Prime Ministers of France and Belgium, touched on all these questions; and Lord Parmoor, the representative of Great Britain on the Council, who spoke after Monsieur Herriot, the Prime Minister of France, in recognizing the difficulty of the problem which has to be faced, mentioned that, so far as he was aware, no country has failed to carry out the decision of a Court of Arbitration in recent times. But many countries are very sceptical of the efficacy of a system of international justice which has not behind it a force such as that provided in the economic sanction of the Covenant, or similar to that which is available to enforce decisions given in national Courts; indeed, one speaker went so far as to say that it was because the reference to arbitration of the cases which Lord Parmoor had mentioned was voluntary that the decisions had been carried into effect without the use of force; in fact, Lord Parmoor himself envisaged the possible necessity of having recourse to sanctions of an economic nature.

The outlook produced by this exchange of views was not very promising, but on the afternoon of the 6th September the President announced that a motion had been put down in the names of the British and French Delegations requesting the Third Committee to examine the available material on security and on the reduction of armaments; and the First Committee to consider the articles of the Covenant relating to the settlement of disputes, and Article 36 of the Statute of the Permanent Court of International Justice (providing for compulsory jurisdiction of the Court), with a view of making it more precise and thus rendering it of more general acceptance. It was felt that the acceptance of this motion would facilitate the summoning of an International Conference upon Armaments as soon as possible after the committees had reported. The Prime Ministers of both Great Britain and France spoke feelingly in support of the motion (Document A. 53), which was adopted unanimously.

REPORT ON WORK OF COUNCIL.

The debate on the report of the work of the Council of the Secretariat (Docs. A. 8 and A. 8 (a)) occupied several meetings of the Assembly, and was completed on the 10th September. Interesting and instructive as this report is, it seemed this year not to have assumed that importance which it usually occupies in the debates of the Assembly. This is of course due to the prominence given to disarmament and arbitration. The debate produced a couple of proposals, made respectively by the Swedish and Dutch delegates, on the development of international law, and for the elucidation of opinions given by the Committee of Jurists on the interpretation of certain articles of the Covenant (see page 9 of Document A. 8). The second proposal was subsequently deferred for consideration next year.

On the 20th September the Assembly heard, with much gratification, that a general Treaty of Arbitration between Switzerland and Italy had been signed. It passed a resolution expressing to the Governments signatories of the agreement its lively satisfaction at the conclusion of this treaty, the high importance of which is in conformity with the spirit which inspires the work of the Fifth Assembly of the League of Nations.

On the afternoon of the 2nd October the Assembly, at its final session, elected the non-permanent members of the Council. The result of the voting was as follows: Uruguay, 43; Brazil, 40; Czechoslovakia, 40; Spain, 36; Belgium, 34; Sweden, 27.

The meeting was concluded by an eloquent speech from the President, Mr. Motta, who, in my opinion, conducted the proceedings of the whole session in the ablest manner possible. He was businesslike and courteous, and not on one occasion had the Assembly cause to question the ruling of the chair.

COMMITTEE No. 1.

RULE 27 OF THE RULES OF PROCEDURE OF THE ASSEMBLY.

The Netherlands Delegation proposed an addition to Rule 27 in order to provide that a decision of a committee should be taken by a majority vote. This has been the practice, but the proposal aimed at its definite incorporation in the rules. After exhaustive consideration by a small sub-committee, to which the proposal was referred, it was decided to reject the proposal. Whilst there is, of course, always the danger that a minority may successfully oppose a resolution in the Assembly, it was felt that it would be better not to bind the committees, but to follow the elastic procedure which has hitherto been the practice. Two further proposals depending on that submitted by the Netherlands were withdrawn, and the Netherlands delegate concurred in the committee's point of view, which was accepted by the Assembly at its meeting on the 20th September. The report on the subject is Document A. 72.

LEGAL ASSISTANCE FOR THE POOR.

The first reference to this question is contained in my report of last year. The Fourth Assembly passed a resolution to place it on the agenda of the Fifth Assembly, and to invite the Secretary-General to prepare a report in the meantime. The question was, with the approval of the Council, referred to a small committee of experts, whose recommendations are contained in the report drawn up by the Secretary-General (Document A. 34). This report was considered by a sub-committee of Committee No. 1, which drew up a series of resolutions providing for—

- (a.) The publication by the League of a list of agencies established in each country for the purpose of giving poor persons legal assistance, which list should be distributed amongst the various Governments.
- (b.) The collection by the Secretariat of various treaties, laws, and other provisions relating to the question.
- (c.) The nomination by each Government of an authority who would answer inquiries on the matter from other countries.
- (d.) An inquiry of States whether they would be disposed to become parties to a new convention, based on Articles 20 and 23 of the Hague Convention, 17th July, 1905.

These articles will be found reprinted at the end of Document A. 34.

The resolutions (Document A. 71) were passed by the Assembly at its meeting on the 20th September.

DEVELOPMENT OF INTERNATIONAL LAW.

This is the proposal (referred to earlier in this report) made by the Swedish delegation in the course of the debate on the work of the Council. The matter was referred to the First Committee, which put forward a resolution (Document A. 73) providing that a committee of experts be convened to prepare, after consultation with interested organizations, a provisional list of the subjects of international law which might be regulated by international agreement. After obtaining the comments of Governments on this list, the committee so established is to report to the Council on questions sufficiently ripe for a conference to be called for the purpose of solving them.

THE AMENDMENT OF ARTICLE 16 OF THE COVENANT.

It is the first paragraph of this article which has been the cause of much controversy, owing to the use of the word "nationals." An amendment designed to limit the application of the paragraph to persons over which Governments have effective control was passed by the Assembly in 1921, but has not come into force owing to the absence of the necessary number of ratifications.

Consideration of a further amendment, proposed by the British Government in 1923, which it was thought might gain more ready acceptance, was postponed until this year. As will be seen from the perusal of the First Committee's report to the Assembly (Document A. 108), the British proposal has been accepted in substance if not in form, and it would appear that the drafting of the amendment as it left the hands of the First Committee has had the happy effect of reconciling every kind of criticism. Should the amendment obtain sufficient number of ratifications, paragraph 1 of Article 16 will read as follows :—

"Should any member of the League resort to war in disregard to its covenants under Articles 12, 13, or 15, it shall *ipso facto* be deemed to have committed an act of war against all other members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, and to prohibit all intercourse at least between persons resident within their territories and persons resident within the territory of the covenant-breaking State, and, if they deem it expedient, also between their nationals and the nationals of the covenant-breaking State, and to prevent all financial, commercial, or personal intercourse at least between persons resident within the territory of that State and persons resident within the territory of any other State, whether a member of the League or not, and, if they deem it expedient, also between the nationals of that State and the nationals of any other State whether a member of the League or not."

A protocol embodying the above amendment has been drawn up (Document A. 123) and is open for signature. If the Government agrees to the amendment it will be necessary for instructions to be issued for the protocol to be signed on behalf of New Zealand.

Consideration of an amendment to the second paragraph of the original Covenant was postponed.

The consideration which the First Committee gave to certain articles of the Statute of the Permanent Court of International Justice will be dealt with in that part of the report relating to the Third Committee.

COMMITTEE No. 2.

HUNGARY.

The task of the committee was simple. All it had to do was to listen to an exposition by Mr. Jeremiah Smith, Commissioner-General of the League of Nations in Hungary, of the League's plan for the financial reconstruction of Hungary, and a description by him of what had been accomplished since the plan had been put into operation. Seeing that a few months ago the value of the Hungarian crown was but a fraction of a Swiss centime, and that the bank of issue provided for in the scheme was established so recently as June, the League has reason to congratulate itself on the good progress which has been made. The plan, which resembles that adopted for the financial reconstruction of Austria, but with modifications adapted to the different conditions of Hungary, will be found briefly described on page 58 of Document A. 8. Other documents bearing on the question are A. 8 (*a*) (page 16), A. 11/2/1924, and A. 58. It is technical work of this character that is amongst the principal justifications for the existence of the League. There is indeed little doubt but that for the existence of an international body such as the League the work of reconstruction of Austria and Hungary could not have been undertaken, with results which might have been disastrous for Europe and perhaps for the world. The League offers a common meeting-ground for the reconciliation of conflicting interests.

The committee's resolutions were approved by the Assembly on the 11th September.

PERMANENT HEALTH COMMITTEE.

The Health Committee of the League, the establishment of which on a permanent basis had, for unexpected reasons, been delayed for so long, is at last functioning in accordance with the plan which received the approval of the Fourth Assembly. An account of the work of this organization will be found on pages 67 and the following of Document A. 8, and on page 29 of Document A. 8 (*a*) appears a resolution of the Council (*a*) regarding the establishment at Singapore of the Far East Bureau of Epidemiological Intelligence, and (*b*) thanking the Rockefeller Foundation for a contribution for financing the exchange of Public Health officials. In addition to these documents there is available the First Annual Report (1923-24) of the Health Committee (Document A. 22), which is addressed to the Permanent Committee of the Office International d'Hygiène Publique in its capacity as Advisory Health Council. All these documents were before the committee for consideration, and discussion turned mainly on two points—

- (1.) Whether in future years it would be advisable to have attached to the Health Committee's Report the observations thereon of the Advisory Health Council; and
- (2.) Whether (*a*) the Budget of 678,300 francs proposed by the Supervisory Commission should be increased to 861,300 francs to enable the Director of the Health Department to undertake further work, and (*b*) a supplementary vote of 175,000 francs should be proposed to enable the interchange of Public Health personnel to continue after the current grant from the Rockefeller Foundation had expired in September, 1925.

The question whether the Assembly should or should not have before it in future years the comments of the Advisory Health Council on the Report of the Health Committee of the League has more behind it than would appear to the uninitiated. Great Britain is represented on the committee of the League, but India is not, nor are the overseas dominions, and India is a country which has suffered terribly from disease, her geographical situation being peculiarly favourable to the entry of epidemics. Such being the case, she has more than ordinary interest in the work of the Health Section, and is particularly anxious to have a voice in its direction. There is very little hope of her being represented on the Health Committee of the League, at all events for two or three years, but she, like many other countries not directly represented on the Health Committee of the League, is represented on the Advisory Council (Office International d'Hygiène Publique). A resolution which would in effect enable the expert representatives of such countries sitting on the Advisory Council to have a voice, even if only consultative, in the work of the Health Section of the League was introduced by the Indian delegate and debated at great length. To send the report of the Health Committee of the League to the Advisory Council for comment before such report was discussed by the Assembly appeared to be distasteful to the Health Director, and a strenuous effort was made by the representatives of a few countries to delay decision. The motion was put to the vote, and twenty-four votes were recorded in its favour and five against it.

With regard to the reduction in the Budget, in making it the Supervisory Commission took the unusual course of attaching to its report on the Budget of the Secretariat the original Budget proposed by the Health Organization. A proposal made in the Second Committee to address a letter to the President of the Assembly, to be laid before the Chairman of the Fourth Committee (which deals with financial matters), representing the urgency of credits for special investigations and technical conferences (including standardization of sera and biological products), and for exchange of personnel, was quite properly abandoned as creating an unnecessary precedent, but it showed that the representatives of several States were determined to influence a decision which properly lay with the Fourth Committee.

I have commented somewhat at length on these proceedings because they show how necessary it is that an international organization such as the League should be governed by regulations which, whilst sufficiently elastic to prevent needless obstruction, should at the same time be definite in their aim and framed in the interests of businesslike procedure.

The Budget of the Health Section was debated at considerable length by the Fourth Committee. The Supervisory Commission, after examining the minutes of the Second Committee, proposed an increase of 5,000 francs on the item "Sanitary notifications, &c.," and to increase the vote for expenses in connection with the interchange of personnel to 150,000 francs. The latter suggestion, whilst acceptable to some, was resisted by others, who felt that the work of special investigation and conferences was being unduly neglected, and that if further money were made available it would be better to spend it in completing this technical work than in providing it for use in the event of the Rockefeller Foundation not making further subscriptions. A compromise was suggested by the chairman of the Supervisory Committee to divide 100,000 francs equally between special investigations and exchange of personnel. Unfortunately, two other motions had priority, and as the second of them was carried the compromise was not put to the vote. As a consequence, the Budget of the Health Section was increased as follows: Sanitary notifications and notifications in case of epidemics, from 10,000 to 15,000 francs; special investigations and technical conferences, from 92,000 to 142,000 francs; expenses in connection with a system of liaison between the various National Public Health Services, from 75,000 to 150,000 francs. The Budget of the Section, as passed by the Fourth Committee, therefore amounts to 808,300 francs.

Health questions are of great importance—indeed, the Covenant recognizes that they come within the scope of the League's activities. There is, however, a danger lest the Budget of the Health Section should outgrow its proper proportion as compared with the Budgets of other technical organizations, and careful watch will have to be kept on the activities of the Section.

The series of resolutions with which Document A. 70 concludes was passed by the Assembly at its meeting on Saturday, 20th September.

INTELLECTUAL CO-OPERATION.

The documents dealing with this subject are A. 8 (pages 88–92), A. 19, A. 20, A. 21, A. 29, A. 31, A. 64, A. 66, and C. 3, M. 3.

That the Committee on Intellectual Co-operation is doing good work in some respects cannot be denied, although I have always doubted whether its operations come within the sphere of the League. So vast is the field that it can cover, given the necessary financial support, that every new project which is submitted in its name will have to be carefully scrutinized lest the League is involved in an expenditure which could not be justified in view of the present bad economic and financial position of so many countries. Already there are signs, on the one hand, of hasty development, and on the other of difficulty. It will be remembered that last year the Assembly decided that an appeal should be addressed to States members of the League for financial support. Except from one quarter that appeal had not borne any result. The exception was France, which had offered the committee a permanent institute in Paris and an annual subsidy of 1,000,000 francs.

The resolutions accepted by the Assembly (Document A. 66) cover problems relating to scientific property (for a conference in connection with which the Assembly voted a sum of 8,000 francs); the co-ordination of bibliographical work in physics (the Assembly voted 8,000 francs for an extension of the work to other science, especially social science); the formal recognition of the work of, and an agreement for co-operating with, the International Institute of Bibliography in Brussels, and a recommendation to States which have not already done so to give partial adherence to the Brussels Convention of 1886, and a further recommendation to accept a new convention for the exchange of literary and scientific publications, the text of which will be found on page 26 of Document A. 31; while other resolutions refer to university questions and to travelling facilities for students.

The resolution which excited most interest, and some misgiving, related to the gift of the French Government referred to above. Whatever individual members of the committee thought of the gift, their hands were tied, for it had already been accepted in principle by the Council, which had, however, asked the Assembly to define the functions of the Institute, its administration and its relations with existing institutes, having regard to the necessity for maintaining its autonomy. While many speakers were at great pains to express their admiration of the gift, they could hardly conceal their anxiety lest, in course of time, the Institute should lose its international character and become a centre for the dissemination of French culture and ideas. The task of the committee in reconciling many conflicting elements seemed at one time to be almost impossible of accomplishment, but finally a small sub-committee, representative of the main views which had been expressed in the course of the debate, and specially set up for the purpose, produced a draft resolution (No. 8), which after undergoing slight modification at the hands of the committee, was passed. Safeguards are provided in the resolution, but it remains to be seen whether in practice they will achieve their object. In my own opinion the Council, in accepting this gift, has created the unfortunate precedent of allowing an organ of the League to have its seat away from Geneva, a precedent which might be inconvenient should other offers of a like nature be made. As a matter of fact, a similar offer (referred to later in this report) was subsequently made by the Italian Government. One speaker went so far as to describe the principle thus established as a weakening of the influence of the League in an important sphere of international co-operation.

The committee's report was presented to the Assembly on the 23rd September, and the discussion thereon occupied the whole morning. Mr. Charlton, one of the Australian delegates, strongly protested against the acceptance by the Council of the French gift of an institute and of the means of running it. In both Committees No. 2 and No. 4 Mr. Charlton had stated he was prepared

to vote credits equal to the sum of money offered by France if the Institute, the necessity of which he recognized, was established in Geneva. In the Assembly I felt that I ought to give the Australian delegate my support on the question of principle. I stated that the international character of an organization such as the Institute could not be sustained unless situated at the seat of the League and under the League's immediate control, and in advocating that the privileges of the Assembly should be safeguarded I questioned the propriety of the Council taking a decision on a matter coming within such privileges.

I have dealt at length on this subject because I feel that a departure from principle such as this, if repeated, may become a menace to the international solidarity of the League.

INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW.

The decision of the Assembly to confirm the acceptance by the Council of the gift made by the French Government of an institute in Paris for intellectual co-operation was quickly followed by an offer from the Italian Government to found in Rome an International Institute for the Unification of Private Law, and to endow it with an annual income of 1,000,000 lira. The offer was referred to the Second Committee, and on its recommendation the Assembly has invited the Council to accept the gift, and to conclude with the Italian Government agreements containing safeguards similar to those proposed in the case of the Institute for Intellectual Co-operation (Document A. 134).

INTERNATIONAL INSTITUTE OF BIBLIOGRAPHY.

The original resolution of the Second Committee regarding the International Institute of Bibliography involved an annual subsidy of 1,000 francs. The Supervisory Committee, although sympathetic, rejected a subsidy as creating a dangerous precedent, and the Fourth Committee accepted a suggestion that an amount of 1,000 francs should be subscribed towards the publication of the *Index Bibliographicus*, without mentioning the name of the institute. This, together with the two further supplementary votes of 8,000 francs each, mentioned above, were passed by the Assembly.

COMMUNICATIONS AND TRANSIT.

Document A. 8 (pages 65-67) furnishes an account of the second General Conference on Communications and Transit, held in Geneva towards the close of last year, at which four Conventions were adopted, referring to—(1) Convention on the International Regime of Railways; (2) Convention on the International Regime of Maritime Ports; (3) Convention on the Transmission in Transit of Electric Power; (4) Convention on the Development of Hydraulic Power.

As I have already advised you, these Conventions were signed by me on behalf of New Zealand and Western Samoa whilst I was in Geneva, and doubtless ratification will be proceeded with.

The Advisory and Technical Committee for Communications and Transit, which was constituted by the General Conference, met in March last and appointed a number of sub-committees to deal with a large variety of questions. These sub-committees have since met, or will do so shortly, and an account of the meetings already held will be found on pages 20-29 of Document A. 8 (a).

The Report of the Second Committee to the Assembly (Document A. 77) furnishes a useful summary of the work accomplished and the programme of work to be done. Of the resolutions (passed by the Assembly on the 20th September), with which the report concludes, I need draw attention to two only—that bearing on the urgency of revising the London Convention of 1912, in view of the great development of radio-telephony, and that suggesting that Esperanto should cease to be regarded as a code for telegraphy and radio-telegraphy purposes, but be given the status of a national language.

Much of the work of the Advisory Committee is of no practical interest to countries which, like New Zealand, have no land frontiers, but, on the other hand, the Dominion is concerned in such questions as, for instance, those covered by the Convention of the International Regime of Maritime Ports.

It will be noted that little progress has been made with the inquiry into the reform of the calendar.

FINANCIAL RECONSTRUCTION OF AUSTRIA.

This is not a matter in which the Assembly has taken any considerable part. The scheme now in operation was initiated under the auspices of the Council, and is amongst the most successful work being accomplished by the League. Recent information regarding the scheme will be found on pages 52-57 of Document A. 8, and pages 14-16 of Document A. 8 (a), and the Report of the Second Committee to the Assembly is numbered A. 90. It was presented on the 25th September, and is very encouraging. As to the ultimate success of the scheme for putting Austria on her feet it is difficult to prophesy. Some of the points on which the report touches are of considerable interest—*i.e.*, that only once has the Austrian Government had to make a request for funds (still available) to cover a deficit, and then only for a small amount; and that the establishment, now almost complete, of equilibrium between expenditure and receipts is being achieved through an unexpected increase of taxation rather than through the reduction of expenditure which it was hoped would ensue. This satisfactory position has been brought about in face of economic and financial crises to which Austria has been subject this year, and which are likely to affect the development of Austria for some time.

ECONOMIC AND FINANCIAL ORGANIZATION (ECONOMIC COMMITTEE).

The documents are A. 8 (pages 48-52), A. 8 (a) (page 14), A. 9, A. 52, and C. 453. A. 97 is the Report of the Second Committee to the Assembly, which considered it on the 25th September. All these documents furnish full information regarding the many activities of the Economic Committee.

It will be noted that the Convention for Simplification of Customs Formalities is to come into operation on the 27th November, and that the protocol regarding commercial arbitration came into force on the 28th July last. An account is given of the conference of experts which met in Geneva in May, 1924, to inquire into the possibility of revising the present International Convention for the Protection of Industrial Property.

The result of the committee's investigations into the evidence on the trade in worthless goods, and on the treatment of foreign nationals and enterprises, will be read with interest.

ECONOMIC AND FINANCIAL ORGANIZATION (FINANCIAL COMMITTEE).

This committee has been much occupied with work in connection with the financial reconstruction of Austria and of Hungary. Information concerning other questions with which it has been dealing will be found on pages 61–65 of Document A. 8, and on page 19 of Document A. 8 (a). The Second Committee's report to the Assembly, A. 94, on the work of the committee as a whole, also deals with the scheme for an international loan for Greek refugees. This is a comprehensive scheme for the settlement in Greece of about a million Greeks who sought refuge in the land of their origin after the Turkish victories of 1922 and 1923 in Asia Minor. The financing of this scheme of settlement is being arranged under the auspices of the League, and Greece, under a protocol signed by her, is authorized to issue an international loan not exceeding £10,000,000. The committee's report concludes with a number of resolutions which were passed by the Assembly on the 25th September.

COMMITTEE No. 3.

DISARMAMENT.

I have mentioned earlier in this report the speech which Mr. MacDonald, the Prime Minister of Great Britain, made in the Assembly on the 4th September. That speech gave the impulse to a work which, whatever may be the results which follow, must be considered the greatest the League has performed, for it is concerned with the object of the League, the settlement of international disputes by pacific means.

For four years successive Assemblies have struggled with the problem—years of hope followed by scepticism. Last year's Assembly was memorable for more than one reason. It was the year of the Italian-Greek trouble, and was the year in which the draft Treaty of Mutual Assistance assumed the form in which it was sent to Governments for consideration. Before the Fifth Assembly met the position of that treaty had become practically hopeless. Great Britain was only one of many States which declined to have anything to do with it. Mr. MacDonald had declined on behalf of Great Britain. What would he propose in the place of that treaty? The answer to this question is contained in the speeches which he and M. Herriot, the Prime Minister of France, delivered on the 4th and 5th September, and the ideas which were then put into words have borne their fruit in a protocol for the pacific settlement of international disputes, the work of two committees, Nos. 1 and 3, but to a considerable extent the work of two eminent men, M. Politis, delegate of Greece, and M. Benes, Foreign Minister and delegate of Czecho-Slovakia.

The nucleus of this protocol is contained in the resolution introduced by the Prime Ministers of Great Britain and France, and passed by the Assembly on the 6th September, reading as follows:—

“The Assembly—noting the declarations of the Governments represented, observes with satisfaction that they contain the basis of an understanding tending to establish a secure peace—decides as follows:—

“With a view to reconciling in the new proposals the divergences between certain points of view which have been expressed and, when agreement has been reached, to enable an international conference upon armaments to be summoned by the League of Nations at the earliest possible moment:

“(1.) The Third Committee is requested to consider the material dealing with security and the reduction of armaments, particularly the observations of the Governments on the draft Treaty of Mutual Assistance, prepared in pursuance of Resolution XIV of the Third Assembly, and other plans prepared and presented to the Secretary-General since the publication of the draft treaty, and to examine the obligations contained in the Covenant of the League in relation to the guarantees of security which a resort to arbitration and a reduction of armaments may require.

“(2.) The First Committee is requested—(a) To consider, in view of possible amendments, the articles in the Covenant relating to the settlement of disputes; (b) to examine within what limits the terms of Article 36, paragraph 2, of the statute establishing the Permanent Court of International Justice might be rendered more precise and thereby facilitate the more general acceptance of the clause: and thus strengthen the solidarity and the security of the nations of the world by settling by pacific means all disputes which may arise between States.”

No time was lost by Committees Nos. 1 and 3 in getting to work. Each committee divided itself into several sub-committees, and their work, subsequently criticized and amended, ultimately received a form which enabled it to meet with the unanimous approval of the Assembly. It was accompanied by a general report on the work of the two committees (Document A. 135), which, besides providing a full explanation of the various articles of the protocol, furnishes a useful introduction and a historical statement on the subject of the reduction of armaments.

The protocol (Annex IIA to Document A. 135) is an extension and completion of those articles of the Covenant which are concerned with the prevention and settlement of international disputes, and in it the signatory States undertake “to make every effort in their power to secure the introduction into the Covenant of amendments on the lines of the provisions” contained in the articles of the protocol.

If the adoption of the plan for the reduction of armaments, devised by the Disarmament Conference, is not carried out within a period to be fixed by the Conference, the protocol becomes null and void (see paragraph 6 of Article 21 of the protocol). Should the plan be carried out (pending the amendment of the Covenant on the lines indicated in the protocol) there will be a dual regime. The States ratifying the protocol will be bound by the Covenant and the protocol; the States which do not ratify will be bound by the Covenant only (Document A. 135, page 6, Article 19, paragraph 3). The protocol will come into force when it has been ratified by a majority of the permanent members of the Council and ten other members of the League.

Under Article 2 the signatory States agree not to resort to war against a State which accepts all the obligations hereinafter set out, except in cases of resistance to acts of aggression, or when acting in agreement with the Council or the Assembly in accordance with the provisions of the Covenant and of the amplifications of the Covenant provided for in the protocol. These obligations are:—

(a.) To recognize as compulsory, *ipso facto* and without special agreement, the jurisdiction of the Permanent Court of International Justice in the cases covered by paragraph 2 of Article 36 of the Statute of the Court, but with the right to make reservations compatible with the said clause.

NOTE.—Paragraph 2 of Article 36 of the Statute of the Permanent Court of International Justice was an “optional clause.” The jurisdiction of the Court under this optional clause included the same disputes which are referred to in paragraph 2 of Article 13 of the Covenant as “generally suitable for submission to arbitration”—viz., (a) The interpretation of a treaty; (b) any question of international law; (c) the existence of any fact which, if established, would constitute a breach of an international obligation; (d) the nature or extent of the reparation to be made for the breach of an international obligation.

Great Britain, the Dominions, and several other countries have not ratified this optional clause, and the words “with the right, however, to make reservations compatible with the said clause” have been inserted in the protocol in the hope that Great Britain and other countries may now ratify paragraph 2 of Article 36 of the Statute of the Court with reservations.

(b.) To render more complete the provisions of paragraphs 4, 5, 6, and 7 of Article 15 of the Covenant.

NOTE.—Under Article 15 of the Covenant, members of the League agree to submit to the Council disputes likely to lead to a rupture which have not been referred to arbitration in accordance with Article 13.

The method of procedure to be adopted by the Council under Article 15 of the Covenant, and the new proposals under the protocol, are set out below in parallel columns:—

Article 15 of the Covenant.	Protocol.
Paragraph 3— The Council to endeavour to effect a settlement, and, if successful, to publish facts and explanations and the terms of settlement the Council may deem appropriate.	The same.
Paragraph 4— If unsuccessful, the Council either unanimously or by a majority vote (exclusive of the votes of one or more of the parties to the dispute) shall publish a report of the facts of the dispute and the recommendations deemed just and proper.	<p>Article 4.</p> <p>Paragraph 1— Apparently the action of the Council as prescribed in paragraph 4 of Article 15 of the Covenant is retained, but in addition the protocol provides that “the Council shall endeavour to persuade the parties to submit the dispute to judicial settlement or arbitration.”</p> <p>Paragraph 2— If the parties cannot agree to do so, then at the request of at least one of them the dispute shall be submitted to arbitration.</p> <p>Paragraph 3— If none of the parties asks for arbitration the Council shall again take the dispute under consideration. The signatory States agree to comply with the recommendations of the Council unanimously agreed to (exclusive of the representatives of any of the parties to the dispute).</p> <p>Paragraph 4— The Council shall submit the dispute to arbitration.</p>
Paragraph 7— If the Council is not unanimous (exclusive of the parties to the dispute), the members of the League reserve to themselves the right to take such action as they shall consider necessary for the maintenance of right and justice.	

From an examination of the above parallel columns it will be seen that the protocol provides for *compulsory arbitration in the case of all disputes* not settled by conciliatory methods, by the Council or by judicial procedure, and consequently goes further than the Covenant. The penalties which the parties signing the protocol will have to submit to in case of refusal to arbitrate, breach of arbitration award, or resort to war, will be referred to later on in this report.

(c.) (Article 5 of the protocol.) In the course of arbitration, at the request of one of the parties to the dispute to allow the Arbitration Court, acting on the advice of the Permanent Court of International Justice, to say whether the matter is by international law solely within the domestic jurisdiction of that party. If the opinion of the Permanent Court is affirmative, the Arbitration Court shall so declare in their award.

This is in accord with the provisions of paragraph 8 of Article 15 of the Covenant, which directs the Council, if it finds (apparently unanimously) the matter is one of domestic jurisdiction, to so report and make no recommendation as to the settlement of the dispute. In the protocol, however, a further paragraph is added, stating that "If the question is held by the Court or by the Council to be a matter solely within the domestic jurisdiction of the State, this decision shall not prevent consideration of the situation by the Council or the Assembly under Article 11 of the Covenant." There is no such paragraph appended to paragraph 8 of Article 15 of the Covenant. Legal opinions were given during the discussions in committee to the effect that though no such paragraph was appended to paragraph 8 of Article 15 of the Covenant there was implied a duty in case of "war or threat of war" to resort to the provisions of Article 11 of the Covenant. It may be that these legal opinions correctly interpret the Covenant, but I have my doubts.

The provisions of Article 11 of the Covenant are far-reaching inasmuch as they declare that any war or threat of war is "a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations." The provisions also declare it "to be the friendly right of each member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends." It is not difficult to conceive that the Council or the Assembly, if they venture into the field of domestic concerns, instead of bringing about good understanding, may do just the opposite.

(d.) (Article 7 of the protocol.) In case of dispute between signatory States, these States agree not to increase armaments or effectives which might modify the position, nor to undertake military, industrial, or economic mobilization, nor, in general, any action of a nature likely to extend the dispute or render it more acute.

(e.) (Last paragraph of Article 10 and Article 11 of the protocol.) At the call of the Council, to apply immediately against the aggressor the sanctions of all kinds mentioned in paragraphs 1 and 2 of Article 16 of the Covenant.

The obligations under the Covenant and under the protocol with respect to sanctions should be carefully studied. To aid this investigation the obligations are set out below in parallel columns:—

Under the Covenant.	Under the Protocol.
<p style="text-align: center;"><i>Article 16.</i></p> <p>Paragraph 1— In case of resort to war in disregard of the Covenant, <i>all members of the League undertake</i> to subject the aggressor to economic and financial pressure. Further, they undertake to prevent financial, commercial, or personal intercourse.</p> <p>Paragraph 2— "It shall be the duty of the Council to <i>recommend</i> to the several Governments concerned what effective military, naval, or air force the members of the League shall severally contribute to the armed forces to be used to protect the Covenants of the League."</p> <p>Paragraph 3— Members agree to mutually support one another in the financial and economic measures which are taken under this article . . . to afford passage through their territory to the forces of any of the members of the League which are co-operating to protect the Covenants of the League.</p>	<p>Article 10— "The Council shall call upon the signatory States to apply forthwith against the aggressor the sanctions provided by Article 11."</p> <p>Article 11— "The obligations of the said States in regard to sanctions of all kinds mentioned in paragraphs 1 and 2 of Article 16 of the Covenant will immediately become operative." "Those obligations shall be interpreted as obliging each of the signatory States to <i>co-operate loyally and effectively</i> in support of the Covenant of the League of Nations, and in resistance to any act of aggression, <i>in the degree which its geographical position and its particular situation as regards armaments allow.</i>" "The signatory States give a <i>joint and several undertaking</i> to come to the assistance of the State attacked or threatened, and to give each other mutual support by means of <i>facilities and reciprocal exchanges</i> as regards the provision of raw materials and supplies of every kind, opening of credits, transport and transit, and for this purpose to take all measures in their power to preserve the safety of communications by land and by sea of the attacked or threatened State."</p> <p>Article 12— The Council is to invite the economic and financial organizations of the League to report as to the nature of the steps to be taken for financial and economic sanctions and measures of co-operation. When in possession of this information the Council shall draw up plans:— (1.) For the application of the economic and financial sanctions against an aggressor State. (2.) Of economic and financial co-operation between a State attacked and the different States assisting it.</p> <p>Article 13— "The Council shall be entitled to receive undertakings from States determining in advance the military, naval, and air force which they would be able to bring into action immediately."</p>

It is evident that the obligations under the protocol are much more stringent than under the Covenant.

With regard to military sanctions, the Covenant makes it the duty of the Council to *recommend*, whereas the States who ratify the protocol enter into an *obligation to co-operate loyally and effectively* in the application of military sanctions immediately; the only limitation being their geographical position and the situation as regards their armaments.

Similarly, the obligations under the Covenant for mutual financial and economic support are, under the protocol, made a *joint and several undertaking*, and are extended to *include reciprocal exchange, supply of raw materials and supplies of every kind, and the use of naval or military forces to preserve the safety of communications.*

(f.) (Article 16.) To apply the provisions of Article 16 of the Covenant as defined by the protocol against a State or States non-members of the League which do not accept the conditions and obligations under Article 17 of the Covenant and resort to war against a signatory State.

(g.) Participation in an international conference for the reduction of armaments, to meet at Geneva on the 15th June, 1925, to which all States, whether members of the League or not, shall be invited.

The definition of "aggressor" will be found in Article 10 of the protocol. Automatically a State becomes an aggressor when it resorts to war in violation of the Covenant or the protocol; and it is the duty of the Council to call upon the signatory States to apply forthwith the sanctions provided in the protocol. Hostilities may, however, have broken out without the aggressor being defined. In such a contingency "any State shall be presumed to be an aggressor—unless a decision of the Council, which must be taken unanimously, shall otherwise declare—if it has refused to submit the dispute to pacific settlement, or to comply with a judicial sentence or arbitral award, or with a unanimous recommendation of the Council," or "has disregarded a unanimous report of the Council, a judicial sentence, or an arbitral award recognizing that the dispute between it and the other belligerent State arises out of a matter which by *international law is solely within the domestic jurisdiction* of the latter State; *nevertheless in the last case the State shall only be presumed to be an aggressor if it has not previously submitted the question to the Council or the Assembly in accordance with Article 11 of the Covenant.*"

In the General Report submitted to the Fifth Assembly on behalf of the First and Third Committees (Document A. 135, page 14, paragraph 4) it is stated that "the fact of aggression having been established by *presumption*, or by unanimous decision of the Council, or by refusal to accept, or violation of the Armistice, it will only remain to apply the sanctions and bring into play the obligations of the guarantor States. The Council will merely call upon them to fulfil their duty."

Reference has already been made under subheading (c) of this report to the use of Article 11 in case of the dispute being a matter of domestic concern of one of the States. It only remains for me to add that the allusion to Article 11 of the Covenant, in cases of domestic jurisdiction, was inserted in the definition of "presumed aggressor," and in Article 5 of the protocol as a compromise. One State, a member of the League, at the last moment raised objection to a State being presumed to be an aggressor because it was at war with another State on a matter which had been declared to be the domestic concern of the latter State. Under Article 10 of the protocol as originally drafted, any State at war with another State on a matter which had been declared this latter State's domestic concern would, unless the Council otherwise unanimously decided, be a presumed aggressor, and all the sanctions provided for in the protocol would be applied against it; whereas the compromise allows the Council to proclaim an armistice, to utilize Article 11 of the Covenant in an endeavour to arrange between the parties to the dispute, or to decide whether it would be justified, by unanimous decision, in making a declaration that the State at war with another State who was defending its sovereign rights was not a presumed aggressor. If the Council could not settle the dispute amicably and proclaim that there was no presumed aggressor, then the war could continue between the two States concerned without any sanctions being applied.

The report and protocol were covered by two resolutions. The first resolution (a) recommends to the earnest attention of all members of the League the acceptance of the protocol; (b) opens the protocol for signature; (c) requests the Council to appoint a committee to draft the amendments to the Covenant contemplated by the protocol; (d) requests the Council to convene an international conference for the reduction of armaments; (e) requests the Council to put into immediate execution the provisions of Article 12 of the protocol. (Article 12 contains the provision whereby the economic and financial organizations of the League are to consider and report on the nature of the steps to be taken to give effect to the financial and economic sanctions and measures of co-operation contemplated in the Covenant and in the protocol.) The second resolution recommends States to accede to the special protocol opened for signature in virtue of Article 36 (paragraph 2) of the Statute of the Permanent Court of International Justice.

A copy of the Statute of the Court is included in the papers which form the enclosures to this report.

The resolutions were passed unanimously by forty-eight States. There was not one abstention.

Before the Assembly closed the following States signed the protocol: Albania, Bulgaria, Czechoslovakia, Esthonia, France, Greece, Latvia, Poland, Portugal, Kingdom of the Serbs, Croats, and Slovenes.

On the day on which the Assembly approved the protocol (2nd October) it passed unanimously a series of resolutions concerning the proposed conference on the reduction of armaments. These embodied a number of recommendations and requests to the Council in connection with the work to be done in preparation for the conference (Document A. 140).

REDUCTION OF ARMAMENTS.

(1.) *Control of International Traffic in Arms, Munitions, and War Material.*

On the 27th September the Assembly passed a series of resolutions bearing on the control of the international traffic in arms, munitions, and war material—

- (1.) Providing for submission by the Council to States members of the League of the draft Convention drawn up by the Temporary Mixed Commission with a view of ascertaining whether Governments are prepared to take part in a conference on the subject to be convened next year.

- (2.) Calling for a report on, and facilitating the study of, statistics bearing on the question.
- (3.) Providing for a study of the private manufacture of arms, munitions, and war material with a view of the drawing-up of a Convention and the holding of a conference.

The final text of the draft Convention has not yet been issued.

(2.) *Co-ordination of the Work of the Temporary Mixed Commission.*

Disarmament occupying first place in the deliberations of the Assembly, with the probability of a conference on the subject, it became necessary to prepare a plan for the better working of the Temporary Mixed Commission for the Reduction of Armaments, and the Permanent Advisory Commission for Military, Naval, and Air Questions. Resolutions providing for this, and other resolutions dealing with (1) the report of the Temporary Mixed Commission with regard to the Probable Effects on Warfare of Chemical Discoveries, and (2) continuation of the work of preparing the Military Year-book, were also passed on the 27th September. The Assembly documents are Nos. 115, 122, and 133.

COMMITTEE No. 4.

BUDGET OF THE LEAGUE.

In the first place, I desire to draw attention to the statement regarding the financial position of the League on the 31st August, 1924 (Document A. 49). Since that statement was issued five States paid early in September the whole or part of their contributions due.

The difficult years of preparation have passed, and now, owing to careful nursing and wise administration, based on suitable regulations, the financial position of the League is favourable—so favourable that the debt on the building which houses the League and staff has been cleared, and the working capital of the fund (which belongs to contributing States) was more than 2,500,000 gold francs when the statement above referred to was issued.

The audited accounts for 1923 will be found in Document A. 1; whilst the Budget of the League, as approved by the Supervisory Commission before the Assembly met, is Document A. 2, in three parts, each part dealing with one of the three autonomous organizations comprising the League—i.e., the Secretariat, the International Labour Office, and the Permanent Court of International Justice.

During the course of the Assembly a number of supplementary votes were considered. Some of these I have alluded to in various parts of this report. The total Budget for the year 1925, as approved by the Assembly, amounts to 22,658,138 gold francs. The unit amounts to 24,311·31 gold francs. For the year 1923 there was a surplus of 2,774,854·86 gold francs. In the Budget of 1924 there was included a sum of 1,635,274·41 gold francs as temporary contributions to the Working Capital Fund. This is to be reimbursed proportionately to States members of the League, and those States which have paid their contributions for 1924 will receive a credit of the amount due to them when application is made for payment of the 1925 contributions. The balance of the surplus, amounting to 1,139,580·45 gold francs, is to be used towards the construction of the new building of the International Labour Office.

There is yet a further surplus of 1,756,873·40 gold francs, the contributions of the Argentine Republic towards the Budgets of 1922 and 1923. This sum is to be placed to the credit of the Working Capital Fund, but in a separate account, in which the share of each State to this surplus will be indicated.

Representations by the staff regarding the rules for administering the Staff Provident Fund, and by the locally recruited staff regarding the salaries, were considered by the Fourth Committee. No change was made in the regulations of the former (Document A. 6), except that it was decided that the Assembly, and not the Council, should be given power to modify the regulations. With regard to salaries of the locally recruited staff, the committee approved the suggestion that a deduction of 3½ per cent. which took place at the beginning of this year should disappear from the 1st October, owing to an increase in the cost of living in Geneva.

A useful summary of the work accomplished by the Fourth Committee is a report submitted to the Assembly on financial questions (Document A. 129). This report contains the resolutions passed by the Assembly on the 29th September. The Budget, approved by the Assembly, will be found in Documents A. 2 (2), A. 2 (a) (2), A. 2 (b) (2).

NEW ASSEMBLY HALL.

A suitable assembly hall, with offices attached (apart from the accommodation required for the staff) is a necessity. Meetings are at present held in the Salle de la Réformation, a badly ventilated hall of poor acoustic qualities, totally unsuited for the meetings of the Assembly. A site, the gift of the Republic and Canton of Geneva, adjoining the Secretariat, has been available for some time. That no definite steps have hitherto been taken to build has not been due to unwillingness, but to financial stringency. Fortunately, the greatly improved financial position of the League, of which I have already spoken, has made it possible to erect a hall. Document A. 10 and A. 10 (a) furnish a summary of the question and suggestions as to accommodation required. The matter was referred by the Fourth Committee to a sub-committee, which drew up a plan of work (Document A. 82). It will be noted that the plan provides for an open competition, for which architects of all countries may enter, and for an international jury, appointed by the Council, to adjudicate on the designs. In the Budget for 1925 is included the sum of 250,000 gold francs for preliminary expenses, and, as it is expected that the building will cost 4,500,000 gold francs, an annual vote of 1,125,000 gold francs for the years 1926, 1927, 1928, and 1929 is contemplated.

LATIN AMERICAN BUREAU ATTACHED TO THE SECRETARIAT.

This Bureau was suggested by the committee of experts (which inquired into the organization of the Secretariat and the International Labour Office in accordance with a resolution of the First Assembly) as a means of keeping in close contact with South American States. It will be seen at once that the creation of the Bureau has established the dangerous principle of differentiation of treatment. The representatives of the South American States, whose ability to vote *en bloc* on any matter concerning their common interests has to be considered, were unanimous for the Bureau, which began to function in 1923. Last year's Assembly suggested reorganization of the Bureau, and requested the Secretary-General to prepare a plan. He made a report (Document A. 5), which was before the Fourth Committee for consideration. Examination of the plan was entrusted to a small committee, which produced a report (Document A. 84) submitted to the Assembly on the 29th September. One point especially the report makes clear—that Latin America cannot be accorded exceptional treatment. The only solution is to fill vacant positions in the various branches of the Secretariat with nationals of South American States up to the number warranted, and by this means dispense with the Bureau. This change, however, can only be gradual. For some time to come the League must accept the Bureau as a normal, if temporary, part of its organization, and hope that the plan constituted by the series of resolutions passed by the Assembly will result in the abolition of the Bureau as speedily as is consistent with a proper regard for Latin American susceptibilities.

ALLOCATION OF THE EXPENSES OF THE LEAGUE.

The documents are A. 14 and A. 24, whilst A. 102 is the Report of the Fourth Committee to the Assembly. The first paragraph of the last mentioned sums up the difficulties of this problem, which was raised in the First Assembly, and which year by year has grown more and more acute. Whatever may be the ultimate solution, it cannot give satisfaction to all States. The provisional scale established in 1923, and continued last year, has again been fixed as the basis for the calculation of contributions in 1925.

It will be noted from the resolutions which were passed by the Assembly on the 25th September that the rebate of twelve units granted to Japan last year by reason of the suffering and loss sustained through the earthquake in that country is to be maintained for another year, and also that the scale of contributions will be modified in favour of some countries, since there are thirty-five units, plus the contributions of Santo Domingo, admitted to the League by the Assembly, available for distribution owing to the resumption of payments by the Argentine Government. The duty of distributing this available reserve amongst deserving States is left to the Committee on the Allocation of Expenses. The number of units payable by New Zealand is ten.

CONTRIBUTIONS IN ARREARS.

This is an outstanding question of a delicate nature which has never been really faced. The Fourth Committee sat with closed doors when considering the matter, and there was some plain speaking.

The decision regarding Luxemburg is based on an injustice. For each of the years 1921 and 1922 the contribution demanded was quite four times that demanded for each of the years of 1923 and 1924, but all demands have been met, with the exception of the amount of 50,983·89 gold francs, the balance of the contribution for 1922. There is no doubt that the rates for the years 1921 and 1922 were fixed without proper consideration of all the facts involved, and the Fourth Committee was unanimous in recommending the cancellation of the debt.

The cancellation of the Persian debt is based on the attitude of the Persian delegate of the Second Assembly, not only to refuse to accept the new scale which had been proposed, but to refuse to pay a contribution exceeding 125,000 gold francs. The Persian Government has, however, accepted the scale dating from 1924.

With regard to the debts of certain American States, the resolution proposed in the Fourth Committee was weakened by a modification supported by several delegates. Whether the representations to be made in accordance with the resolution will have better results than have former representations remains to be seen.

The document concerning the matter is A. 109, and the resolutions contained therein were passed by the Assembly on the 26th September.

CLAIM OF PANAMA FOR A REFUND OF CONTRIBUTIONS.

Panama has regularly paid her contributions to the League. The claim is based on the First Assembly's decision that States too heavily charged should be entitled ultimately to a refund, with retrospective effect. Panama is not alone in this respect, but she argues that her claim is strengthened by reason of the specific protest always maintained against the scale in force prior to 1923. To have admitted her claim would have been to open the door to a number of other claims, amounting in all to 9,500,000 francs—half the League's normal Budget. It was proposed to the Fourth Committee not to entertain the claim, but the exertions of representatives of South American States in committee resulted in modification of the draft resolution, and the hope is now held out that the claim may be considered by a future Assembly.

The documents are A. 78 and A. 110, and the resolution with which the latter concludes was passed by the Assembly on the 26th September.

PENSIONS FOR THE ORDINARY JUDGES AND REGISTRAR OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE.

The right to pension is accorded in Article 32 of the Statute of the Court. The question was considered by the Supervisory Commission, which made a report and drafted a series of regulations (Document A. 38) which were referred to a sub-committee of the Fourth Committee. It was desired that the Registrar should be included in the category of higher officials of the Secretariat of the League who are not included in the staff pension scheme, but the First Committee, to which the question was referred, decided that the Statute of the Court gave the Registrar right to pension. The sub-committee of five included myself, but, as other work prevented me from attending its meetings, I had to arrange for representation. My representative put forward a number of proposals making for economy, but in almost every instance he found himself in a minority of one, although he was successful in helping to prevent a movement towards greater generosity. In the Fourth Committee, however, efforts were made towards economy, and some modifications in drafting were made; but the scheme is substantially that which was submitted by the sub-committee. The regulations approved by the Assembly on the 30th September are contained in Document A. 132.

COMMITTEE No. 5.

INTER-MUNICIPALITY.

The Fourth Assembly decided to refer to the Fifth Assembly the following proposal:—

“Whereas the maintenance of direct relations between the important municipalities of the various countries is a new form of co-operation between peoples which will contribute largely to diffusing the ideals which led to the creation of the League of Nations and which guide its work:

“The Assembly decides to accept with the greatest sympathy the principle of closer municipal relations which the Santiago Conference recommended to the members of the Pan-American Union for adoption.”

It was considered by the Fifth Committee, which drew up the report (Document A. 74) considered by the Assembly on the 20th September. Whilst under consideration by the committee it was made clear that whilst many delegates saw no real objection to direct relations being established between the municipalities of one country and another, there was a natural fear of such relations encroaching on national sovereignty. My own opinion is that this matter is beyond the functions of the League. The resolution passed by the Assembly was quite harmless in form; it merely voiced the opinion that inter-municipality will help realize the objects of the League, and requests the Secretary to draw up a report on inter-municipal co-operation for consideration next year.

OPIMUM AND OTHER DANGEROUS DRUGS.

The documents are A. 8 (pages 78-81), A. 32, A. 45, and A. 67. A. 32 is a report to the Council by the Advisory Committee on Traffic in Opium and other Dangerous Drugs on the work accomplished during the sixth session of the Advisory Committee, and is well worth study. Two points stand out in this report—the unsatisfactory position in regard to China, and the steps now being taken by Switzerland to comply with the provisions of the Opium Convention. Full information regarding the former will be found in Annexes 3 and 4 of Document A. 32. The Chinese delegate endeavoured to cast a certain amount of blame on the foreign Powers, since, he said, if the poppy were cultivated in China its manufacture into drugs took place abroad; but he who studies the information available can form his own conclusions. As to Switzerland, every one desirous of combating drug-taking habits must rejoice that that country, which occupies so important a position amongst drug-manufacturing countries, is at last taking efficient steps to comply with the spirit as well as the letter of the Convention.

It will be noted that before consideration is given to the proposal that Indian hemp should be treated as a habit-forming drug, information on its production and use is to be sought.

Following resolutions passed by the Fourth Assembly, the Council of the League has convened two conferences to be held in November of this year; the first will deal with Far Eastern territories, and the second will be one of a more general nature.

The Assembly at its meeting on the 20th September passed a series of resolutions (Document A. 88), including one requesting the Council to ask the Advisory Committee whether it would not be advisable to prepare a scheme of propaganda to acquaint the masses of the terrible consequence resulting from the use of dangerous drugs.

REFUGEE QUESTIONS, AND TRANSFER OF ARMENIAN REFUGEES TO THE CAUCASUS.

It will be convenient if I deal with these two matters at the same time, for, although they were considered as distinct subjects in committee, they were taken together in the Assembly.

The documents concerning refugees are A. 8 (pages 82-85), A. 8 (a) (pages 33 and 34), with annexes on pages 39-43, and A. 81; whilst the Armenian question is dealt with on pages 36 and 37 of Document A. 8 (a) and in Document A. 104.

The work of providing for refugees, victims of the war, in such a way as to make them self-supporting is well deserving of sympathy. New Zealand has been second to none in the voluntary help, particularly financial, which her citizens have given to these unfortunate people. The excellent work done by Dr. Nansen, first on behalf of the prisoners of war, and latterly on behalf of civil refugees, is beyond praise; but each Assembly has been asked to vote considerable credits, and the time has now arrived for asking whether these credits should not come to an end.

So far as Russian refugees are concerned, the Fifth Committee was largely occupied with the suggestion, which emanated from the Council, to transfer the work from the Secretariat to the International Labour Office, a body claimed to be well suited to deal with such a matter, and able to do so with less expense. It is true that whilst the governing body of the International Labour Office had seemed disposed to view the suggestion favourably it had not given a definite decision, and in the course of the debates, especially those of the Fourth Committee when the credit was under discussion, more use was made than seemed warranted of the uncertainty whether the transfer could be effected. The problem is capable of partial if not complete solution, for, although few countries are able to take these refugees in any number, owing to bad economic conditions, especially unemployment, France, it is said, is in a position to assimilate population readily and easily. There is no unemployment in France, and for some time past she has been importing foreign labour. A glance at the figures quoted on page 39 of Document A. 8 will show this. Such being the case, there was every reason to seize the opportunity afforded for a solution of the problem, although some delegates had qualms as to the use thus to be made of the League's money.

In the Fourth Committee a rider was added to the grant of the credit of 203,000 francs asked for the purpose, expressing the view that the appropriation should disappear from the vote of the League for 1926. This was distasteful to the Fifth Committee, and when the question was reopened in the Fourth Committee, point was made of doing anything which would cause the governing body of the Labour Office to refuse to undertake the work. Ultimately the Fourth Committee passed a resolution granting a supplementary credit of 203,000 Swiss francs for the placing and employment of Russian refugees as "exceptional and temporary expenditure," and added a rider that "the credit should be regarded as temporary, and the Fourth Committee hopes it will be possible for the item to disappear from the Budget of the International Labour Office at the earliest possible moment."

When the Fifth Committee's report was discussed in the Assembly on the 25th September I felt bound to support the South African delegate by saying that I could not pledge the Government of New Zealand to financial support beyond 1925.

The suggestion to transfer Armenian refugees to the Caucasus came from the Greek Government. It is, however, extremely doubtful whether it is a solution of the Armenian question, and, indeed, whether the Caucasus is able to receive them. The Fifth Committee did not go beyond a proposal to set up an inquiry into the possibility of settling a substantial number of Armenian refugees in that country. For this purpose the Fifth Committee asked for a credit of 50,000 francs, but the Supervisory Commission recommended the Fourth Committee to refuse the money. Even those members of the Fourth Committee favourably disposed towards the inquiry felt some doubt and proposed that the inquiry should not be limited to the possibility of settling Armenians in the Caucasus only, but extended to other places. To my regret, the advice of the Supervisory Commission was not accepted, and ultimately the credit was voted, with the possible unfortunate result of fostering hope which may be dashed, either by the negative result of the inquiry, or, if it should not be negative, by the impossibility of finding the money necessary to carry out an ambitious scheme of settlement.

The resolutions on both subjects proposed by the committee were passed at the Assembly on the 25th September.

TRAFFIC IN WOMEN AND CHILDREN.

An account of the work of the Advisory Committee will be found on pages 74-78 of Document A. 8, whilst the Fifth Committee's report is numbered A. 83. The resolutions with which the latter document concludes were passed by the Assembly on the 25th September. It will be noted that the cost of the inquiry, resolved on last year, into the conditions under which the traffic in women is conducted is being met up to 75,000 dollars by the Bureau of Social Hygiene of the United States.

PROTECTION OF WOMEN AND CHILDREN IN THE NEAR EAST.

Document A. 8 (a) (page 32) contains a reference to this matter. The war in the Near East resulted in the breaking-up of many thousands of homes and the scattering of families. Women and children detained amongst nationalities other than their own are cared for and ultimately returned to their relatives or placed in the way of earning a livelihood under the scheme which is being supported financially by the League. Documents A. 46, A. 85, and another document attached to the latter, furnish an account of the work, towards the expenses of which the Assembly has voted a further sum of 75,000 francs.

INTERNATIONAL FEDERATION FOR MUTUAL ASSISTANCE IN THE RELIEF OF PEOPLES OVERTAKEN BY DISASTER.

This ambitious scheme of mutual assistance, of which the author is Senator Ciruolo, President of the Italian Red Cross, was brought under the notice of last year's Assembly, and was again brought up this year. Document A. 48 contains replies already received to a communication which, under last year's Assembly resolution, was addressed to Governments members of the League. Generally speaking, the replies are not encouraging; nevertheless, such was the interest taken in the scheme by many delegates that this year's Assembly decided on the 26th September to set up a preparatory committee to study the scheme, at a cost of 30,000 francs, one-third of which will be found by the Italian Red Cross Society. The Fifth Committee's report and the resolutions passed by the Assembly will be found in Document A. 105.

PROTECTION OF CHILDREN.

In March, 1924, the Council decided that, subject to ratification by the Assembly, the work of the International Association for the Protection of Children and Child Welfare should, in future, be carried out by the Secretariat of the League. The association is the creation of two conferences on child welfare held in 1913 and 1921. Much information regarding its objects and activities will be found in Document A. 107, the report which the Fifth Committee made to the Assembly.

The Fifth Committee had proposed a credit of 50,000 francs to cover the cost of the work to be taken over by the Secretariat, but the Fourth Committee, following the advice of the Supervisory Committee, rejected the proposal. On the 26th September the Assembly ratified the decision of the Council and recommended that the Advisory Committee on Traffic in Women and Children should be reconstituted in such a manner as to provide for the proper consideration of questions arising out of the new obligations.

COMMITTEE No. 6.

MANDATES.

There are several documents bearing on this subject (Documents Nos. 13 (1 and 2), 15, 28, and 50), and they were considered by a sub-committee of Committee No. 6, which drew up the following resolutions (Document A. 75) passed by the Assembly at its meeting on the 22nd September :—

“The Fifth Assembly of the League of Nations, having taken cognizance of the report of the Permanent Mandates Commission relating to its Fourth Session, of the observations made by the accredited representatives of Belgium, France, New Zealand, and the Union of South Africa, and of the resolution of the Council dated 29th August, 1924—

- “(a.) Desires again to convey to the Permanent Mandates Commission its profound and sincere thanks for the zeal, the great competence, and the perfect impartiality with which it has invariably discharged its important and difficult duties :
- “(b.) Earnestly recommends that a solution should be found as soon as possible for the question of loans, advances, and investment of capital in the mandated territories, the present position of which is likely to prove a very serious hindrance to the development of these territories ; and
- “(c.) Recalls the fact that the inhabitants of mandated territories have the right to address petitions to the Council, in accordance with the procedure already established :
- “(d.) Hopes that the Mandatory Powers will, with as little delay as possible, take such action as may be required to give effect to the resolution adopted by the Council at the request of the Permanent Mandates Commission concerning the definition of the technical terms employed in the Conventions relating to the liquor traffic :
- “(e.) Requests that the reports of the Mandatory Powers should be circulated to the States members of the League of Nations, and placed at the disposal of the public who may desire to purchase them :
- “(f.) Recommends that analytical tables should be drawn up as an annex to the reports of the Permanent Mandates Commission :
- “(g.) Expresses the desire that it will be possible for the Mandatory Powers in the future to entrust to officials personally responsible for the administration of the mandated territories, as often as circumstances will permit, the duty of representing them before the Permanent Mandates Commission.”

I have already written you on the points raised by the Permanent Mandates Commission at its last meeting, but I think it advisable to amplify my letter.

It is unfortunate that in the report of the work of the Fourth Session of the Permanent Mandates Commission reference has been made to penal measures which can *no longer* be taken against Chinese labourers for breach of contract. In my reply to this comment I made it clear that no agreement made by the Samoan Administration regarding Chinese labourers has contained a provision for criminal punishment for breach of contract. From inquiries I made in Geneva it seems that this reference was based on a misunderstanding. The Commission was unable to form a clear conception of what constituted, on the one hand, Crown Estates, and, on the other, the property formerly belonging to German companies, which, under the Treaty of Versailles, was acquired by the New Zealand Government, which credited the Reparation Account with the value thereof.

You may be interested to learn that during one of the discussions in the sub-committee, and again in the full committee, I referred to the question of liquor control in Western Samoa, and stated that no differentiation of treatment existed between the Native and the European settler.

With regard to Resolution (e), it is based on a motion submitted by me for securing wide publicity for the reports of the Mandatory Powers relating to the administration of mandated territories. The reports are to be reprinted by the League, and a vote of 25,000 francs for this purpose was approved by the Assembly.

SLAVERY.

This question was raised during the Third Assembly. As the result of action taken by that Assembly and the Council, a good deal of information on the situation of slavery was received from various Governments in time to communicate to the Assembly of 1923, which passed a resolution

instructing the Secretary-General to obtain from the various States information on measures taken to secure the suppression of slavery, and on the result of the application of such measures, for study by a committee set up for the purpose. The replies so far received are contained in Documents A. 25 and 25 (a). The Slavery Committee has not yet had time to do more than draw up a plan of work (Documents A. 17 and A. 8 (a) (page 13).

Whilst the question has no importance to New Zealand, I would draw your attention to some interesting information contained in the documents I have mentioned, and also to the phrase with which paragraph 3 on the first page of A. 25 ends—*i.e.*, “while the reply from New Zealand is not of a positive nature.” I inquired why such a phrase had been used, and discovered that the New Zealand Government’s reply apparently related to Western Samoa only, whereas the questions asked affected the whole of the territory under the jurisdiction of the New Zealand Government.

The Sixth Committee submitted two resolutions (Document A. 69) passed by the Assembly on the 22nd September, expressing gratitude to the Temporary Committee on Slavery for its work, and approving the programme and methods of work set forth in the Slavery Committee’s report.

SITUATION IN GEORGIA.

At one of the early sittings of the Assembly the delegations of Great Britain, France, and Belgium submitted the following motion:—

“The Assembly, reiterating the resolution adopted on 22nd September, 1922, by the Third Assembly, with reference to Georgia, invites the Council to follow attentively the course of events in this part of the world, so that it may be able to seize any opportunity which may occur to help in the restoration of this country to normal conditions by any peaceful means in accordance with the rules of international law.”

This was referred to the Sixth Committee, which issued the report A. 95, considered by the Assembly on the 25th September. The resolution was passed after the Assembly had heard with considerable interest a brief account of the present melancholy situation of Georgia, which had been recognized as an independent country by several of the Powers in 1920. Speakers who supported the resolution were careful to state that there was no suggestion of interfering in the domestic concerns of Russia.

ADMITTANCE OF SAN DOMINGO TO THE LEAGUE.

During the course of the Assembly the Government of the Republic of San Domingo applied for admission to the League of Nations. This request was considered by the Sixth Committee, which unanimously recommended the Assembly to admit San Domingo. This was done by the unanimous vote of the forty-three States represented at the meeting of the Assembly which took place on the 29th September. The report on the matter is No. A. 130.

This report, although only a summary of, with an occasional comment on, the work accomplished by the Fifth Assembly, would not be complete were I not to refer to the atmosphere of the Assembly itself. No one who had attended every Assembly, as I have, could help feeling the change which took place after the British and French Prime Ministers had spoken early in the session. As a well-known writer aptly put it, “windows had been broken and the air let in.” The combination of countries to serve their own interests, of which I have spoken in previous years, although still apparent, was overshadowed by a healthy international feeling and an earnest desire for goodwill and peace, which has done much towards the development of the moral influence of the League. It is this influence which has always appeared to me to be the greatest power which the League could exercise in human affairs.

There were frequent meetings of members composing the various delegations of the British Empire, thus affording opportunities for ascertaining and discussing differing policies when they existed.

I have, &c.,
J. ALLEN.

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

(NOTE.—Copies of the documents referred to in the foregoing reports have been placed in the General Assembly Library for convenience of reference.)

Approximate Cost of Paper.—Preparation, not given; printing (575 copies), £19 10s.

By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1925.

Price 6d.]