

BANK FOR INTERNATIONAL SETTLEMENTS.

On the 14th September the Danish, Norwegian, and Polish delegations introduced into the Assembly the following motion :—

“Considering that the proposals with regard to a reparation settlement which are under consideration by a Governmental Conference, composed of some but not all the member States, which has commenced but not concluded its work, include a scheme for the creation of a bank for international settlements; that the scheme, as described by the experts, contemplates that the bank will exercise functions which concern not only reparations payments, but the general credit structure of the world, and therefore the economic life of all countries, as much those which are not concerned with the payment and receipt of reparations as those which are; that under Article 24 of the Covenant members of the League have accepted the principle that international bureaux and Commissions affecting the regulation of matters of international interest, should be placed in relationship with the league; that the proposed bank would appear to be an institution established by general treaty for the regulation of matters of international interest; the Assembly, while recognizing the importance of the proposed bank being assured of due independence in the conduct of its financial business, expresses the hope that the provisions setting up the bank will be framed with due regard to the general principle laid down and enjoined upon League members in the Covenant, and that arrangements will be made to establish an appropriate relationship, with such consultations as may be desirable for the purpose, which will take due account of the general public and world interests which are involved; invites the Council to take the necessary measures to secure that effect is given to this resolution.”

This motion was referred to the Second Committee, and it gave rise to a long debate. It was admitted by those who supported the motion that the bank would be created primarily to deal with operations concerning reparations, and that so long as it concerned itself with such questions the bank would be a necessity only to those countries affected by reparations. Fear, however, was expressed that the bank might at a later stage widen its functions and play a part in international economics and finance. It was for this reason, therefore, that it was desired to establish some form of relationship between the bank and the League. One delegate in particular, however, whilst agreeing with the principle underlying the motion, deprecated any reference to Article 24 of the Covenant, since there was no question of the League playing a preponderating part in the affairs of the bank.

It was somewhat uncertain what attitude would be adopted by the delegates of those countries paying or receiving reparations, but on the 21st September both Dr. Breitscheid, the German delegate, and M. Loucheur, the French delegate (who spoke not only for France but also on behalf of the British, Italian, Japanese, and Belgian delegations), intervened and frankly declined to support the resolution not only because they thought Article 24 of the Covenant did not apply (especially to an institution which did not exist, and whose statutes had not been drawn up), but also because a defined relationship of the League would not meet the case of great countries which were outside the League. Many other arguments were adduced. In conclusion, the French delegate asked that the resolution be withdrawn, and that the framers should remain content with a promise that the minutes of the Second Committee would be forwarded to the Governments concerned and to the Organizing Committee of the bank.

The speeches of the French and German delegates had their effect. At the next meeting of the committee the Norwegian delegation, speaking on behalf of himself and his Danish and Polish colleagues, withdrew the motion and stated that, in his opinion, the debate, which only the existence of the League of Nations had made possible, would not prove to have been labour in vain.

THIRD COMMITTEE.

Once more the Third Committee met this year under the skilful chairmanship of M. Benes, the Minister of Foreign Affairs of the State of Czecho-Slovakia.

I have to report that I gave a good deal of my personal attention to the work of this Committee, which is of considerable importance.

As usual, there were a number of questions on the agenda paper. The most important matters dealt with were, perhaps, as follows :—

- (1) Establishment of a wireless station;
- (2) Draft Convention for Financial Assistance in case of War or Threat of War;
- (3) Progress of the work of the Preparatory Commission for the Disarmament Conference.

There were other questions, but not of so much importance, to which I shall therefore, later on, only briefly refer.

ESTABLISHMENT OF A WIRELESS STATION FOR THE LEAGUE.

For some two or three years past this question has been debated at every Assembly. It is felt by everybody that it would be well, in case of crisis or emergency, for the League to have its own exclusive method of wireless communication with the parties involved, or, indeed, with the whole body of members. There have always been keen debates as to the best method of attaining this desirable aim. There are three schemes.

The first is that the League should itself erect a wireless station and operate it full time. This scheme would have the advantage of giving absolute independence to the League with regard to all countries. But there are obvious difficulties in the way. Times of emergency are exceptional, but in order to have a station on which the League could rely in times of crisis that station would have to