

CUSTOMS NOMENCLATURE.

The Sub-committee of Experts, which for the past four years has been at work upon the drawing-up of a draft unified Customs nomenclature, has at last concluded its labours, which occupied some five hundred meetings. The draft will shortly be submitted to all Governments for their examination and observations. The Committee considered that, if generally accepted, it should prove of very practical assistance in removing causes of misunderstanding and difficulty in commercial relations between countries. Its acceptance would doubtless cause a certain amount of inconvenience through the necessity for adjustments in the existing practice, but this would very possibly be more than compensated for by the advantages likely to accrue from uniformity.

ECONOMIC AGREEMENTS: CARTELS.

Proposals for international economic agreements with a view to the cartelization of, at any rate, certain industries which lend themselves particularly to such treatment, were strongly urged by some delegates, but the general opinion of the committee was not enthusiastic, and many delegates stressed the necessity for adequate safeguards against monopolies and other dangers inherent in the cartel system.

DIVERGENT VIEWS.

Study of the report of the Commission in the Assembly (Document A. 75) will at once reveal that, interesting as it is, it is to a large extent merely a synthesis of various more or less divergent opinions expressed with regard to a great many of the points considered, and there is a disappointing absence of real unanimity and of any important constructive proposals, and certainly nothing which holds out any real hope of contributing immediate and tangible results on a scale in any way commensurate with the magnitude of the economic problems with which the world is confronted to-day.

In saying this, I do not wish it to be supposed that I fail to appreciate the value of the great amount of study and research work in connection with economic problems which the Economic Section of the League is carrying out. In this connection I would specially refer you to the publication entitled "The Course and Phases of the World Economic Depression," a copy of which I am forwarding herewith. While correct diagnosis of the disease is doubtless the first step towards effecting a cure, one cannot but feel anxious, however, for the diagnosis to result without too much delay in more definite suggestions as to a remedy. On this point, however, it is only right to mention the remark made by Sir Arthur Salter, the British economist, in reiterating his belief in the essential soundness of the recommendations of the World Economic Conference. As he remarked, "It is hardly fair to blame the medicine if the patient has never taken it." M. Flandin, French Minister for Finance, used a somewhat similar figure of speech when he remarked that "Quinine is a bitter medicine, but it has excellent tonic qualities."

The Committee's report on this subject (Document A. 75) was adopted without debate by the Assembly at its meeting on the 24th September. In presenting the report the Rapporteur said very truly that the necessity for securing unanimity had involved the deletion or modification of many of the most definite suggestions contained in the original draft, with the result that the report had become a somewhat anæmic one, and the solutions suggested, though not without value, were obviously only fragmentary and partial ones. There was general agreement that a remedy could only be found through collective action, he said, but collective action inevitably involved individual sacrifices, and the moment any call for the necessary sacrifices was made, national suspicions and distrust became apparent and thwarted any progress being made.

FINANCIAL QUESTIONS.

Documents A. 55, A. 55 (a), and A. 55 (b) deal with work done by the Financial Committee of the League, particularly in relation to Austria and Hungary, whose finances were rehabilitated some years ago under the auspices of the League. Despite the very marked success which at the time attended the League's work in this direction, it will be seen that the finances of these countries are again in a somewhat critical position. This appears to be due, however, not to any inherent weakness in the plans put forward at the time by the Financial Section of the League, under which indeed these countries were restored from financial chaos to something approaching prosperity—or, at any rate, financial stability—but to the inescapable results of the present world economic and financial crisis.

FINANCIAL CRISIS.

The discussion in the Second Committee dealt with the general aspects of the financial crisis rather than with its particular effects on any individual country. This will be found reflected in the report of the committee to the Assembly (Document A. 88). This report, however, is a very much less definite document than the report as originally introduced by the Rapporteur. There was, however, a notable measure of agreement on the point that the financial crisis was both more important and more urgent than even the economic crisis, and that no solution of the economic crisis was possible until a remedy had first been found for the financial crisis.

GREAT BRITAIN AND THE GOLD STANDARD.

As indicated in the first paragraph of the report, the debates in the committee were overshadowed by the news of Great Britain having gone off the gold standard and the impossibility of gauging with any degree of accuracy what the repercussions of that momentous step were likely to be.