

ference for the Unification of Penal Law, which met at Cairo in January, 1938. As a consequence, the Committee now had before it resolutions of a comprehensive nature possessing both legal and social aspects. The memorandum ended with the suggestion that a League Committee of Experts be set up to make an exhaustive study of the subject and to recommend such measures as might enable Governments to solve it by international co-operation.

In the course of the discussion, the delegate of Canada (Mr. Thorson) said that he did not think it possible for the moment to open a legal debate regarding the substance of the principles adopted by the Cairo Conference. The Conference had appealed to Governments to pass legislation on the lines of these principles. As that appeal had been made, it would seem desirable that the Governments should be given an opportunity to consider the resolutions in their entirety. He suggested therefore that these resolutions and all relative documents should be communicated to Governments for their information and observations. At the same time he drew attention to the particular importance the matter had for some countries which were newer in the structure of their constituent elements. These countries might perhaps take the view that they owed stricter obligations to their peoples than other countries did. It was for that reason that the Canadian Government attached particular importance to the right of the people of Canada to determine who should stay and who should not stay in the country.

The Committee agreed with these observations and decided that the Minutes of its discussion, as well as the Minutes of the discussion in the Fifth Committee, should also be forwarded to Governments for their consideration.

SECOND COMMITTEE

(Economic, Financial, Communications and Transit Questions)

Communications and Transit Organization

The Second Committee was called upon this year to elect the members of the Communications and Transit Organization, the body which, under its new constitution, directs the communications and transit work of the League.

Exchange Control

An extensive discussion took place on a wide variety of economic and financial questions of general international interest. The delegate of Canada, Mr. Martin, took part in the discussions on a number of questions of interest to Canada including the regulation of air navigation, pollution of the sea by oil, and general trade policies.

Considerable attention was given to the question of exchange control. Mr. Martin congratulated the Financial Committee on the excellence of its report on the subject. The Canadian Government, he said, did not concur in the tendency to recommend clearings agreements as a means of ameliorating the exchange situation. In saying this he did not wish to pass judgment on those countries which had been forced by economic circumstances to enter into them. Canada had, indeed, found it necessary to enter into one such agreement to safeguard its legitimate interests. "Perhaps the major difficulty in the way of further relaxation of controls," he pointed out, "is that any such system, established to protect the currency and the capital position of a country encountering economic difficulties (while it may serve its emergency purpose in the first instance) becomes eventually a hindrance to recovery by raising costs in the country employing the control and by making difficult the sale of that country's goods abroad. When a country in such a position burdens itself at the same time with heavy military expenditures and, because of the economic situation, heavy expenditures for relief of its home industries, social services and so on, action to free exchanges can, probably, be taken only with outside assistance. The relaxation of exchange controls by bilateral payment agreements is not of great value generally. By their very nature they are not subject to most-favoured-nation clauses, and, although they make possible some movement of