

of a loan under the League's auspices, and even to consider loans for the economic development of a country, when they present special international interest or advantages. Finally, the Financial Committee suggests that its assistance may take the form of conciliation and arbitration for disputes of a financial character, in particular those concerning loan contracts.

As in the past, the Financial Committee will continue to advise the Council on all financial questions arising in the course of the Council's current political and administrative activity.

A new piece of work, undertaken by the Financial Committee at the request of the Bulgarian Government, is a study of the organization of the co-operative system in Bulgaria. It has now been definitely arranged that two experts of recognized authority on co-operative questions shall be sent to study the situation on the spot. The Second Committee's rapporteur to the Assembly expressed the opinion that the enquiry was likely to prove of value not only to the country directly concerned, but also to the Financial Committee itself in connection with another question of general importance that had recently come before it, namely, that of agricultural credits referred to it by the Conference on Concerted Economic Action. This recent development, he considered, would no doubt be watched by all agricultural States that were interested either in the assistance that might be afforded by special enquiries and advice or in the wider problem of the organization of agricultural credit.

The Second Committee recommended the Assembly to draw the special attention of all States to the interim report on the purchasing power of gold issued by the Gold Delegation of the Financial Committee. It suggested that the Secretary-General should undertake an enquiry, in consultation with the Financial Committee, concerning the manner in which statistics of the industrial use of gold might be improved.

Work of the Fiscal Committee

This youngest standing committee of the League is preparing at the moment a multilateral convention for the avoidance of double taxation. With the help of a grant from the Rockefeller Foundation it is enquiring into the manner in which branches of foreign companies are taxed in different countries. It has drafted rules for distinguishing an autonomous agent from a permanent establishment. It has adopted on first reading rules for taxing patent and copyright royalties and has prepared a statement on the bearing of the most-favoured-nation clause upon taxation questions. With the Transit Organization it has prepared a draft convention on the taxation of foreign cars.

The Second Committee expressed the view that the work of the League in the field of double taxation had already brought about more equitable conditions.

The Canadian Delegate referred to the progress which had been made in avoiding multiple taxation of shipping profits, but pointed out that less progress had been made in the prevention of double taxation of other kinds of business profits and of investment income. A number of countries still attempted to levy taxes both in the place in which the goods or funds originated and in the place to which they went. Uniform rules should be drawn up governing the allocation and distribution of profits as between the various branch establishments of one and the same concern where these branch establishments were situated in different countries, so that profits should not undergo a double assessment. Financial corporations and their holdings abroad should not be considered as one but as two or more entities, and each should be taxed in its respective jurisdiction only, without regard to where or by whom the shares were held.