

sidered, therefore, that an accurate and complete report on this subject would be useful for every country. In the first place, it would bring out the merits or demerits of the compensation system and would show whether it should be maintained, developed or abandoned. In the second place, it should enable individual Governments to make any necessary improvements in their own commercial policies in the light of the methods followed and the results obtained in other countries.

M. Lamoureux recognized that the conclusion of bilateral Compensation and Clearing Agreements might lead to the accumulation of outstanding debts, the strain of which would be rendered more and more difficult by reason of the fact that certain countries found it impossible to balance their imports from one country by their exports to that country, and agreed that this dangerous weakness might be remedied by the conclusion of agreements under which the compensation system would be brought into force not merely between two countries but between several countries.

On a motion of the United Kingdom delegation, it was agreed that the enquiry to be undertaken should not be limited to the technical aspects of Compensation and Clearing Agreements, but should extend also to the causes which have led to the conclusion of such Agreements and the results obtained.

It was also agreed that adequate consideration should be given, not only to the European aspects of the Agreements in question, but also to their effect on the Overseas countries and on the relations between the latter and Europe.

The Committee welcomed the action of the League Economic Committee in undertaking the study of the question of the tourist traffic considered as an international economic factor. It was noted that studies were contemplated on the following points:—

- (1) Improvement and standardization of methods of compiling tourist statistics;
- (2) Simplification of unnecessary and excessive formalities hampering the development of tourist traffic;
- (3) Preparation of a joint tourist program between certain countries.

Work of the Financial Committee

The Committee reviewed the work which had been done during the year by the Financial Committee with a view to consolidating the finances of Austria, Hungary and Bulgaria. It was noted that in all these three countries there had been some improvement in the general economic situation but that the Clearing Agreements into which Hungary and Bulgaria had entered had tended to render it increasingly difficult for them to obtain the foreign exchange necessary for their purchase of raw materials and for their debt service.

In the Report of the Second Committee last year the hope was expressed that it might prove possible for the Financial Committee to deal also with problems of a more general character than those with which it had been occupied in recent years—financial reconstruction of Austria, Hungary, Bulgaria, etc.—including such as would be of direct concern to Overseas as well as to European countries. The Committee further expressed the hope that the Council, both in the questions it referred to the Financial Committee and in the determination of the Committee's composition, would bear this consideration in mind.

Mr. Loveday, Director of the Financial Section of the Secretariat, appeared before the Committee and outlined the work that had been done on the problem of the comparability between the statistics of the origin of imports, on the one hand, and the destination of exports, on the other, pointing out that the Committee of Statistical Experts had reached the conclusion that no effective comparability could be secured by the universal adoption of any particular system of recording statistics, for the reason that, in the majority of cases, exporters have