

AGENDA
OF THE
FIFTEENTH ORDINARY SESSION
OF THE
ASSEMBLY OF THE LEAGUE OF NATIONS

With Notes on the various Items and some
Observations on the general Situation
for the Information of the Canadian Delegation.

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AGENDA

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17/12/00

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 for the Information of the Canadian Delegation.

TABLE OF CONTENTS

Agenda of the Fifteenth Ordinary Session
of the Assembly of the League of
Nations as prepared at Geneva.

Notes on the various items on the Agenda
for the information of the
Canadian Delegation.

	<u>Page</u>
1. Election of Officers, Appointment of Committees and Adoption of Agenda	1
2. Report of the Work of the League since the last Session of the Assembly	5
3. Election of Three Non-Permanent Members of the Council	5
4. Amendment of the Covenant of the League in order to bring it into harmony with the Pact of Paris	13
5. Co-operation of the Press in the organiz- ation of Peace	18
6. Nansen International Office for Refugees ..	21
7. Composition of Bodies to which appointments are made by the Assembly	26
8. Commission of Inquiry for European Union ..	27
9. Proposal of the Polish Government for the conclusion of a general Convention on the Protection of Minorities	29
General Aspects on the Problem	29
International Engagements for the Protection of Minorities	35
Rights of Minorities	36
The League Guarantee	38
Procedure and Machinery	47
Discussion of the Problem at the last Assembly	52
Present Polish Proposal	58
Its General Objectives	59
Canada's Attitude	61

10. Audited Accounts for the Fifteenth	
Financial Period (1933) and	
Administrative	
Expenditures on	
11.	Budget of the League for the Seventeenth Financial Period (1935) 68
	Financial Control 68
	League Financial Year and Currency 69
	New Form of the Budget 70
	Comparison with previous Budgets 72
	Charges of Over-budgeting 73
	Retrenchment in Recent Years 76
	Necessity for Continued Economy 78
	The Question of Further Re- trenchment 79
Present Financial Position	
12.	Report of the Supervisory Commission 89
13.	Contributions in Arrears 92
	Present amount in Arrears 94
14.	Report of the Administrative Board of the Staff Pensions Fund 96
15.	Report of the Committee on the Alloca- tion of Expenses 97
	The Problem of Revising the Scale of Allocation 100
	Could Canada's Share be Reduced? 102
16-21.	Technical Work of the League 106
	Some Observations on the General Situation 120
	List of Documents enclosed under separate cover.

LEAGUE OF NATIONS

AGENDA OF THE FIFTEENTH ORDINARY SESSION
OF THE ASSEMBLY

which will open at Geneva on Monday,
September 10th, 1934, at 10:30 a.m.

-
1. Election of Officers, Appointment of Committees and Adoption of Agenda.
 2. Report on the Work of the League since the Last Session of the Assembly.
 3. Election of Three Non-Permanent Members of the Council.
 4. Amendment of the Covenant of the League in order to bring it into Harmony with the Pact of Paris.
 5. Co-operation of the Press in the Organization of Peace.
 6. Nansen International Office for Refugees.
 7. Composition of Bodies to which Appointments are made by the Assembly.
 8. Commission of Enquiry for European Union.
 9. Conclusion of a General Convention on the Protection of Minorities: Proposal of the Polish Government.
 10. Audited Accounts for the Fifteenth Financial Period (1933) and Auditor's Report Thereon.
 11. Budget of the League for the Seventeenth Financial Period (1935).
 12. Reports of the Supervisory Commission.
 13. Contributions in Arrears.
 14. Report of the Administrative Board of the Staff Pensions Fund.
 15. Report of the Committee on the Allocation of Expenses.
 16. Economic and Financial Work.
 17. Communications and Transit.
 18. Health.
 19. Social Questions.
 20. Traffic in Opium and Other Dangerous Drugs.
 21. Intellectual Co-operation.

NOTES ON THE AGENDA OF THE 15TH ORDINARY
ASSEMBLY OF THE LEAGUE OF NATIONS

The attached Agenda, which, in accordance with the Covenant, has been drawn up by the Secretary-General of the League and approved by the President of the Council, sets forth, in brief outline form, the subjects which will be discussed at the forthcoming Assembly of the League, which will open at Geneva on Monday, September 10th next, and which will probably continue in session for about three weeks. Additional subjects may be added later, for, under the Covenant, the Assembly may deal with any matter coming within the sphere of action of the League or affecting the peace of the world.

1. Election of Officers, Appointment of Committees and Adoption of Agenda.

The Assembly will be opened, in accordance with custom, by the Acting President of the Council with a short address outlining the activities of the League in the past year and touching briefly on some of the outstanding problems now before it.

A Committee, usually numbering eight or ten members representative of the Assembly, will then be elected by secret ballot for the verification of credentials. The letter from the Secretary of State for External Affairs informing you of your appointment to the Canadian delegation will be sufficient for the requirements of the Committee.

Following the adoption of the Report of the Credentials Committee, the Assembly will proceed to the election of the President by secret ballot. In 1925 a Canadian delegate, the Honourable Raoul Dandurand, was honoured by election to the office of President. Last year the President was Mr. de Water of the Union of South Africa. As it is customary to accord the office of ~~the~~ President to the representative of the various nations more or less in turn, in the normal course of events it will be some years before Canada will again be in line for election to this office. It is customary, also, to elect six Vice-Presidents.

The new President will then read the proposed Agenda and, after being formally adopted by the Assembly, it will be circulated to the various members.

A general Debate will be held on the Report of the League since the last Session of the Assembly. It usually lasts for several days and resembles, in a general way, the Debate on the Address in Reply to the Speech from the Throne in the Canadian House of Commons.

The Assembly, in accordance with its Rules of Procedure, will resolve itself into six main Committees to each of which each delegation nominates one delegate and one alternative delegate. These Committees are as follows:

First Committee - Legal and Constitutional Questions.

- Second Committee - Questions connected with the work of Technical Organizations, i.e., Economic and Financial Questions; Communications and Transit Questions; Health Questions.
- Third Committee - Questions connected with the reduction and limitation of armaments. (This Committee was not set up in 1933 as the Conference for the reduction and Limitation of Armaments was in session). Nor does it seem probable that the Committee will be set up this year.
- Fourth Committee - Budgetary and Administrative Questions.
- Fifth Committee - Social Questions, i.e., Penal and Penitentiary Questions; Protection and Welfare of Children and Young People; Traffic in Opium and Other Dangerous Drugs, etc.
- Sixth Committee - Political Questions, i.e., Protection of Minorities; Mandates; Slavery; Intellectual Cooperation, etc.

The appointment of delegates to the various Committees will depend to some extent on the final allocation of the items on the Agenda. It is a question for decision by the senior delegate.

The Chairmen of the main Committees are elected by the Assembly and, with the six Vice-Presidents also elected by the Assembly, form the General Committee of the Assembly. This General Committee is responsible for assisting the President

in the general direction of the work of the Assembly.

It is the business of these Committees to consider the Reports presented to the Assembly by the various organs of the League, the Resolutions proposed by States Members, or any questions which the Assembly may refer to them. The same Rules of Procedure apply to their proceedings as to Plenary Meetings of the Assembly. Each Committee, however, meets in private, unless it decides otherwise. It keeps a record of its proceedings and the minutes are published.

It has been customary since the organization of the League in 1920 for each country to send three delegates to the Assembly and three alternate delegates thus permitting representation for each country on each Committee. At the last Assembly the Canadian delegation consisted of the Honourable Robert J. Manion, Minister of Railways and Canals, Senior Delegate; the Honourable Philippe Roy, Canadian Minister to France; and Dr. Walter A. Riddell, Dominion of Canada Advisory Officer accredited to the League of Nations. M. Jean Désy, Counsellor of the Canadian Legation at Paris, acted as alternate delegate.

The Canadian delegation was represented
on the Committees as follows:-

First Committee

Hon. R. J. Manion
M. Jean Desy

Fourth Committee

Hon. Philippe Roy
Hon. R. J. Manion

Second Committee

Dr. W. A. Riddell
Hon. Philippe Roy

Fifth Committee

M. Jean Desy
Dr. W. A. Riddell

Sixth Committee

Hon. R. J. Manion
Hon. Philippe Roy

2. Report of the Work of the League since
the Last Session of the Assembly

No comment appears necessary as the report
is outlined in the Agenda itself. Part (1) of the
report is attached; Part (2) will be available on the
arrival of the delegation at Geneva and may be secured
from the Canadian Advisory Officer.

3. Election of Three Non-Permanent Members
of the Council

The Council of the League, as constituted
by Article 4 of the Covenant, the Resolution of the
Assembly of the 15th September, 1926, and the Resolution
of the Assembly of October 2nd, 1933, is composed of
fifteen members, five permanent members representing
the Great Powers - the United Kingdom, France, Italy,

Japan (whose withdrawal from the League does not become effective till March, 1935) and Germany (whose withdrawal from the League does not become effective till October, 1935), and ten non-permanent members elected by the Assembly.

At present the non-permanent members of the Council are as follows:-

China	}	due to retire this year.
Spain		
Panama		
Poland	}	due to retire in 1935.
Czechoslovakia		
Mexico		
Argentine Republic	}	due to retire in 1936.
Australia		
Denmark		
Portugal		

The following are the rules which govern the election of non-permanent Members of the Council:-

"Article 1.- The Assembly shall each year, in the course of its ordinary session, elect three non-permanent Members of the Council. They shall be elected

for a term commencing immediately on their election and ending on the day of the elections held three years later by the Assembly.

Should a non-permanent Member cease to belong to the Council before its term of office expires, its seat shall be filled by a by-election held separately at the session following the occurrence of the vacancy. The term of office of the Member so elected shall end at the date at which the term of office of the Member whose place it takes would have expired.

Article II.- A retiring Member may not be re-elected during the period between the expiration of its term of office and the third election in ordinary session held thereafter unless the Assembly, either on the expiration of the Member's term of office or in the course of the said period of three years, shall, by a majority of two-thirds of the votes cast, previously have decided that such Member is re-eligible.

The Assembly shall pronounce separately, by secret ballot, upon each request for re-eligibility. The number of votes cast shall be determined by the total number of voting tickets deposited, deducting blank or spoilt votes.

The Assembly may not decide upon the re-eligibility of a Member except upon a request in writing made by the Member itself. The request must be handed

to the President of the Assembly not later than the day before the date fixed for the election; it shall be submitted to the Assembly, which shall pronounce upon it without referring it to a Committee and without debate.

The number of Members re-elected in consequence of having been previously declared re-eligible shall be restricted so as to prevent the Council from containing at the same time more than three Members thus elected. If the result of the ballot infringes this restriction to three Members, those of the Members affected which have received the smallest number of votes shall not be considered to have been elected.

Article III.- Notwithstanding the above provisions, the Assembly may at any time by a two-thirds majority decide to proceed, in application of Article 4 of the Covenant, to a new election of all the non-permanent Members of the Council. In this case the Assembly shall determine the rules applicable to the new election."

The following additional provision to the rules was adopted at the Assembly of 1933:

"No Member of the League shall be eligible to be elected as a non-permanent Member of the Council unless it has proposed itself for election, or been nominated by another Member of the League, at least

forty-eight hours before the election which shall not be held before the seventh day of the Assembly's session;

The notice of the candidature shall be given in writing to the Secretary-General, who shall forthwith bring it to the attention of the Assembly. The Secretary-General shall at the time of the election place before the Assembly a list of the Members which have been duly put forward as candidates."

In the administration of these rules, however, certain conventions have already been more or less accepted. Of the ten non-permanent seats on the Council two have become quasi-permanent. Poland and Spain have regularly secured the two-thirds majority required under paragraph 2bis of Article 4 of the Covenant to establish their re-eligibility and are now to all intents and purposes "permanent" Members of the Council. There remain eight seats nominally "free" - two of which are to be filled in 1934.

However, the development of blocs of States united by common political, economic, or geographical interests, coupled with the general recognition of various gentlemen's agreements that certain groups of States will always be represented on the Council, has reached a stage in which all the non-permanent seats are, in practice, allocated in advance to one or other of the several blocs.

In 1926, when the admission of Germany to membership in the League and the recognition of her right to a permanent seat on the Council forced the reconstruction of the Council, several states, notably Brazil, Spain, and Poland, insisted that their claims to permanent seats should be recognized. The present arrangement is essentially a compromise conditioned by the political situation existing at that time. The number of non-permanent seats was then increased, provision for quasi-permanent seats was made and undertakings given that certain conventions would, in future, govern the elections to the Council. One such convention, the perpetual re-eligibility of Spain and Poland, has been referred to, a second that there should always be three Latin-American States on the Council was offered as an inducement to Brazil to withdraw her resignation from the League. Brazil persisted in her withdrawal but the other Latin-American States snapped up the offer and have since maintained their right to three seats, although with Brazil out of the League, the grounds for this claim are not apparent. It does, however, explain the presence of Panama, Mexico and the Argentine Republic on the Council.

Similarly it came to be recognized that one of the non-permanent seats should go to an Asiatic country in addition to Japan's permanent seat. Hence, when Persia's term expired in September, 1931, China's election in her place was assured.

Of the three remaining seats one is claimed by the "Little Entente" and is filled in rotation by Roumania, Czechoslovakia, and Yugoslavia; a second has been ear-marked for the Scandinavian-Baltic Group and is now held by Denmark. The last "free" seat is now occupied by Australia which was elected in 1933 when the term of membership of the Irish Free State expired. In spite of protestations by the Free State in 1930 that its candidature was independent and not a group nomination, it was generally felt in Geneva that with the Irish election a new bloc, the British Commonwealth, had been recognized.

This system of group representations barred the following States (among others) from ever securing election to the Council: Belgium, Portugal, Switzerland, Austria, Hungary, Bulgaria and Greece. Portugal formally protested against this disqualification and at the 1933 Assembly a Resolution was adopted providing for the provisional creation of one new non-permanent seat on the Council on the understanding that in 1936 the question of the number of members of the Council will be reconsidered and that all members of the League will remain entirely free to propose any final solution of this question which they consider desirable. Portugal was appointed to the additional seat thus created.

Of the three seats to be filled by election this year it may be assumed that, in accordance with the convention outlined above, Spain will be strongly supported for re-election for a further period of three years, and that one of the South American countries chosen by the Latin-American caucus will be elected to fill the seat vacated by Panama. Chile has already solicited Canadian support and while in accordance with its practice the Canadian Government has not pledged its vote in advance it is felt that Chile is the best Latin-American representative available. If there should develop, however, any disposition in the Assembly to challenge the Latin-American prescriptive claim to three non-permanent seats, with Brazil out of the League, it should be encouraged. The Asiatic seat, at present held by China, would, in the normal course of events, be expected to go to Turkey. In view of the difficulties over Manchuria, however, China will doubtless be anxious to retain her seat on the Council for a further period of three years and in these circumstances there may be a disposition on the part of members of the League generally not to adhere strictly to the convention according one non-permanent seat, in rotation, to an Asiatic country other than Japan. The Canadian Government is not committed to support the candidacy of any particular country or countries and decision on the matter may safely be postponed till the delegation reaches Geneva and gets in touch with opinion at the Assembly.

4. Amendment of the Covenant of the League in order to bring it into harmony with the Pact of Paris

Since the Pact of Paris, often referred to as the Briand-Kellogg Pact, came into effect in July, 1929, the League of Nations has been giving earnest consideration to the question of whether the provisions of the League Covenant, which authorize war in certain circumstances, require amendment in order to bring them into harmony with the general principle embodied in the Peace Pact, renouncing war as an instrument of national policy.

The Tenth Assembly of the League of Nations, on the proposal of the British delegation in its own name and on behalf of the delegations of France, Italy, Belgium, Denmark and Chile, adopted on 24th September, 1929, a Resolution declaring, "inter alia",-

"That it is desirable that the terms of the Covenant of the League should not accord any longer to Members of the League a right to have recourse to war in cases in which that right has been renounced by the provisions of the Pact of Paris ..."

In execution of this decision a Committee of Eleven Jurists was set up by the Council in January, 1930, to study the minimum changes which would be necessary in the Covenant in order to bring it into harmony with the Peace Pact. Its report was considered and revised by a Sub-committee of the First Committee of the Assembly of 1930.

The amendments proposed by the Committee of Eleven and the text drawn up by the Sub-committee of the First Committee are set forth on the following pages:-

Amendments Proposed by the
Committee of Eleven

Preamble

In order to promote international co-operation and to achieve international peace and security by accepting the obligation not to resort to war.

Article 12, Paragraph 1.

The Members of the League agree that, if there should arise between them any dispute likely to lead to a rupture, they will only employ pacific means for its settlement.

If the disagreement continues, the dispute shall be submitted either to arbitration or judicial settlement, or to enquiry by the Council. The Members of the League agree that they will in no case resort to war for the solution of their dispute.

Article 13, Paragraph 4

The Members of the League agree that they will carry out in full good faith any award or decision that may be rendered and that they will not take any action against any Member of the League which complies therewith.

In the event of any failure to carry out such award or decision, the Council shall propose what measures of all kinds should be taken to give effect thereto; the votes of the representatives of the parties shall not be counted.

Amendments Proposed by the Sub-
Committee of the First Committee

Preamble

In order to promote international co-operation and to achieve international peace and security by accepting the obligation not to resort to war.

Article 12, Paragraphs 1 and 2

1. The Members of the League agree that, if there should arise between them any dispute likely to lead to a rupture, they will in no case have recourse to war for the settlement of the dispute and will only employ pacific means for this purpose. If the dispute cannot be otherwise settled, it shall be submitted either to arbitration or judicial settlement or to enquiry by the Council.

2. The award of the arbitrators or the judicial decision shall be given and the report of the Council shall be made within a reasonable period.

Article 13, Paragraph 4

The Members of the League agree that they will carry out in full good faith the award or decision rendered in a dispute to which they have been parties. They further undertake in no way to support a State in refusal to carry out an award or decision. In the event of any failure to carry out such an award or decision, the Council shall propose what measures of all kinds should be taken to give effect thereto; the votes of the representatives of the parties shall not be counted.

Article 15, Paragraph 6

If the report by the Council is unanimously agreed to by the members thereof, other than the representatives of one or more of the parties to the dispute, the Members of the League agree that they will comply with the recommendations of the report. If the Council's recommendation is not carried out, the Council shall propose suitable measures to give it effect.

Article 15, Paragraph 7.

If the Council fails to reach a report which is unanimously agreed to by the members thereof, other than the representatives of one or more of the parties to the dispute, it shall examine the procedure best suited to meet the case and recommend it to the parties.

Article 15, Paragraph 7 bis.
(New Paragraph)

At any stage of the examination, the Council may, either at the request of one of the parties or on its own initiative, ask the Permanent Court of International Justice for an advisory opinion on points of law relating to the dispute. Such application shall not require a unanimous vote by the Council.

Article 16.
(No change proposed).

Article 15, Paragraph 6.

If the report by the Council is unanimously agreed to by the members thereof, other than the representatives of one or more of the parties to the dispute, the Council shall invite the parties to comply with the recommendations of the report. The Members of the League undertake in no way to support any party in refusal to comply with such recommendations.

Article 15, Paragraph 7.

If the Council fails to reach a report which is unanimously agreed to by the members thereof, other than the representatives of one or more of the parties to the dispute, it shall examine the procedure best suited to meet the case and recommend it to the parties.

Article 15, Paragraph 7 bis.
(Suppressed).

Article 16, Paragraph 1.
First Sentence

1. Should any Member of the League resort to war in disregard of its covenants under Article 12, it shall, ipso facto, be deemed to have committed an act of war against all other Members of the League ...

The broad principles of both documents are the same. In each case the proposal is that war would be definitely and completely excluded from international life, and that the nations should agree never to employ other than pacific means for the settlement of their disputes. But, in the Sub-Committee's draft, there is noticeable a certain re-arrangement of phrasing, carried out with a view to rendering the text clearer and more logical, while the binding character of a unanimous report by the Council has been done away with, and with it has disappeared paragraph 7 bis (Article 15). The word "invite" has been introduced into Article 15, paragraph 6, as has also the undertaking by Members of the League in no way to support any party in refusal to comply with the recommendations of the Council. The Sub-Committee only returned to the original principles established by the existing Covenant from a conviction that the Council was essentially a political organ and, as such, should retain an elasticity and a freedom of decision which might be seriously hampered if its recommendations were recognized as binding.

The Canadian Government, through its delegation to the Assembly in 1931, accepted the amendment prepared by the Sub-Committee, provided that the entry into force of the amendment should be dependent upon the entry into force of a General Treaty for the Reduction and Limitation of Armaments and subject to the following minor modifications - (1) Article 12, paragraph 2, the word "or" be substituted for the word "and",

(2) Article 13, paragraph 4, the word "judicial" be inserted before the word "decision" wherever the latter word occurs. The revised text met with general acceptance. There has, however, been considerable difference of opinion with respect to the conditions of the coming into force of the proposed amendment. In particular a fairly general opinion has been expressed in favour of making acceptance of the proposed amendment subject to the conclusion of a Disarmament Convention as contemplated under Article 8 of the Covenant.

In January, 1932, the Council of the League authorized the Secretary-General to convene a Committee composed of representatives of all the Members of the League with a view to preparing a final Draft of the amendment. There has thus far, however, been no meeting of the Committee and it was decided to withdraw the subject from the Agenda of last year's Assembly. It seems probable that the same course will be followed this year for, in addition to the delay which has been experienced in the task of securing acceptance of a general Disarmament Convention and the generally unsettled international political situation, there has developed in the past year a disposition on the part of some Members, particularly Italy, to advocate a more fundamental revision of the Covenant. Present indications are, therefore, that consideration of the proposed amendment will be further postponed. If, however, the subject comes up for discussion, it would be desirable to maintain the position taken by the Canadian delegation to the Assembly of 1931.

5. Co-operation of the Press in the Organisation of Peace

On 24th September, 1931, the Twelfth Assembly requested the Council to consider the possibility of studying, with the help of the Press, the problem of the spread of inaccurate information threatening to disturb peace or good understanding between nations.

Pursuant to this request, the Council, in a resolution of October 2nd, 1931, requested that a report be submitted to the Thirteenth Assembly, dealing with the results of a conference of Government Press Bureaux and of Press representatives to be summoned by the Danish Government, and with those of a consultation of the Press Associations.

The Conference met at Copenhagen in January, 1932, and the consultation of Press Associations was carried on in sixty-five countries, Members and non-Members of the League of Nations. There was general agreement on two broad objects: greater independence of the press from outside control, and greater freedom of access to news.

On 30th June, 1932, the Press Sub-Committee of the Disarmament Conference adopted as a basis of discussion a draft resolution submitted by the Polish Delegation on the part played by the Press in international relations, which provided for the convocation of an international conference of qualified representatives of the Press to examine, in so far as it is of interest to the Press, the problem of moral disarmament.

The question of the collaboration of the Press in the organization of peace came before the Assembly of 1932. In the course of the discussion, several delegates, including the Canadian, suggested that Governments might consider certain mechanical facilities suggested to meet difficulties such as those experienced by more distant countries in obtaining foreign news.

The Assembly advocated the fullest possible publicity in connection with League meetings, the earlier and more complete distribution of documents, the supply to the press of the fullest possible information concerning the work of the League, and requested the Council to consider the possibilities of affording to journalists cheap facilities for communicating information to their newspapers through the League wireless station.

The Assembly expressed the hope that a further conference, organized on similar lines to that held at Copenhagen, might be called to consider ways and means of assuring greater provision for accurate information, freedom of the press, and co-operation between the press organizations of the various countries.

A Press Conference similar to that held at Copenhagen was convened at Madrid under the auspices of the Spanish Government from November 7th to November 11th, 1933. It was attended by the representatives of

the Government Press Bureaux of thirty-three countries, representatives of news agencies, delegates of international associations of journalists and of national groups of newspaper editors. The Conference took as the basis for its Resolutions two principal ideas: freedom of the Press and the communication to the Press without delay of adequate and authentic information. It suggested the framing of a report by independent and unofficial experts on the technical and financial methods which might be used to suppress the spread of false news. It recommended a continuation of the enquiries undertaken by the Institute of Intellectual Co-operation on the intellectual function of the Press, and framed recommendations on the subject of broadcasting so far as it affected international relations. Finally, it considered various questions affecting the professional organization of the Press, more particularly the question of an international card for journalists, a Court of Honour for journalists and the status of Press correspondents in foreign countries.

The work of the Conference will be discussed at the forthcoming Assembly which will have to decide whether the League Secretariat which co-operated in the preparation and organization of the previous Press Conferences shall in future continue to afford such co-operation. It may be that there will be some objection to it on the ground of the expense involved,

which, however, is understood to be small. In view of the marked tendency in recent years, particularly in the U.S.S.R., Italy, Germany, Austria, and certain other central European countries not only to muzzle the Press but to enlist its powerful assistance in the work of national propaganda, it has become more than ever important to work for the co-operation of the Press in the organization of peace and good understanding between nations. There is a good deal to be gained also, especially by outlying countries, from the establishment of better mechanical and other facilities for the rapid dissemination of adequate and authentic international news. For these reasons it would seem desirable for the Canadian delegation to lend its encouragement to the work of this and similar Press Conferences and in general to the co-operation of the Press in the organization of peace.

6. Nansen International Office for Refugees

This office is placed under the direction of the League of Nations in accordance with the terms of Article 24 of the Covenant, and it submits to the Assembly an annual report on its activities. The office, established by the Assembly in 1930, has its headquarters at Geneva. It is an autonomous body, having full control of its own administration and activities. It took over all the assets and liabilities of the High Commission for Refugees. Its finances are derived:

- (a) For administrative purposes from:
Annual grants from the League.
Proceeds of fees and sums derived
from the refugees.
- (b) For settlement and relief purposes from:
Proceeds of the sale of Nansen stamps.
Donations, legacies, and grants accepted
in virtue of a decision of the
Governing Body.

Its accounts are audited annually by the League of Nations Auditor. It may appoint representatives in countries belonging to the League, and deals directly with Governments.

The office consists of a President appointed by the League of Nations Assembly; the Chairman and three representatives of the Inter-Governmental Advisory Commission for Refugees appointed by that Body for periods of three years; a member appointed by the Secretary-General of the League of Nations; a member appointed by the Director of the International Labour Office; three members of the Advisory Committee of private organizations for refugees, appointed by that Committee; two members belonging to the principal international relief organizations, appointed by a two-thirds majority by the other members of the Governing Body.

The duties of the office are to carry out the humanitarian duties previously undertaken by Dr. Nansen, the High Commissioner of the League for Refugees, and in particular to:

(a) Collect and collate information regarding the material and moral welfare of the refugees; facilitate the task of finding them work and settling them, and for that purpose collect useful information as to the conditions of labour in the countries to which they emigrate.

(b) Give general directions to relief institutions which already exist, or which may be established subsequently with the authorization of the various national authorities, and co-ordinate their work.

(c) Collect and distribute, with the help of other bodies, particularly the Advisory Committee of the private organizations, the resources placed at its disposal with a view to the improvement of the lot of the refugees, including the resources derived from the sale of the Nansen stamps.

(d) Facilitate, within the limits of its competence, the application, in particular cases, of the Inter-Governmental Arrangements that have been made for the benefit of refugees.

Pursuant to a resolution of the Twelfth Assembly, 1931, a Convention has been drawn up with a view to ensuring the protection of refugees on the liquidation of the Nansen Office. The Convention which has been signed, with reservations, by France Belgium, Bulgaria, Egypt and Norway, sets forth conditions under which Nansen Certificates may

be granted to Russian, Armenian and assimilated refugees, and embodies undertakings by the contracting parties not to expel or refuse admittance to refugees unless such measures are dictated by reasons of national security or public order. Provisions are also included relating to the legal status of the refugees, defining the extent to which they might have recourse to the institutions of their country of residence in the matter of access to the courts, right to work, relief, social insurance, labour accidents, small property, provident associations, education and the fiscal system.

Under Article 19 of the Convention provision is made for the accession of other governments and the question will probably be raised at the Assembly. While the accession of Canada might assist in some measure in the settlement of this distressing post-war problem and while a refusal to accede might be difficult to justify if other countries generally decide to accede, the Department of Immigration and Colonization takes the view that the Convention would be of no advantage to Canada and, if acceded to, a reservation should be inserted to Article 2 declining to recognize the validity for immigration purposes of the Nansen Certificate until the Certificate is made valid to return to the country of issue for a period of five years.

The Assembly, in 1933, approved a grant to the Office of 300,000 francs to cover its work during 1934 under the general scheme of liquidation adopted by the Assembly in 1930.

Since the last Session of the Assembly the French High Commissioner for Syria has approved the scheme adopted by the Office, under which the work of settlement of the Armenian refugees in Syria was to be completed in 1934.

The Office was informed, in April, that sufficient funds had been collected for the evacuation of a further convoy to Brazil of the Russian refugees in Harbin (Manchuria) rendered destitute by the floods. The Office contributed for the purpose a sum of 15,000 francs.

The Chinese Government has urged that it is desirable for a close co-operation to be maintained in China with the Nansen Office, more particularly with a view to the delivery of Nansen passports to Russian refugees in China. The Office will normally cease to be represented in China this year, but proposals are under consideration for the appointment of an honorary representative in place of the present arrangement.

The Advisory Committee on Traffic in Women and Children, during its April Session, adopted a resolution to the effect that the Council of the League should recommend the Assembly to grant a subsidy to the Office so that it might be able to assist Russian women in the Far East in urgent need of relief.

7. Composition of Bodies to which appointments
are made by the Assembly

We have not been able to secure a list showing the vacancies on League commissions, committees, etc., to be filled by the Assembly at the forthcoming session. In general, however, it is not considered that there are any such vacancies on which there would be an advantage in pressing for Canadian representation. Most, if not all, of these appointments require not only a high standard of fitness for the position but entail residence at, or frequent trips to, Geneva.

It may be of interest to note that the following Canadians are at present serving on League Technical Committees:-

Advisory Commission on Opium and other Dangerous Drugs
Colonel C.H.L. Sharman, (as Member)
Chief, Narcotics Division,
National Health Department.

Advisory Commission for the Protection and Welfare of
Children and Young People
Miss Charlotte Whitton, (as Assessor)
Secretary, Canadian Council on Child
and Family Welfare.

Agriculture Committee (under the Economic Committee)
Dr. W. A. Riddell, (as Expert)
Canadian Advisory Officer, accredited to
the League of Nations.

Fiscal Committee
Fraser Elliott, Esq., (as Corresponding Member)
Commissioner of Income Tax.

Committee of Statistical Experts
R. H. Coats, Esq., (as Member)
Dominion Statistician.

Health Committee
Dr. J. G. Fitzgerald (as Assessor)
Professor of Preventive Medicine,
University of Toronto.

8. Commission of Enquiry for European Union

On the proposal of M. Briand, then Foreign Minister of France, the 1930 Assembly invited the Governments of the European States Members of the League, acting as a commission of the League, to enquire into the possibilities of closer co-operation among them in every field of international activity. The Commission appointed as its secretary the Secretary-General of the League of Nations and submits an Annual Report to the Assembly.

During its earlier years the Commission undertook, among other things, a search for a continental solution of the continental aspect of the international wheat problem which might possibly have led to undesirable repercussion for Canada but no definite programme was agreed upon, and in fact very little of any consequence has been accomplished by the Commission. During 1933 it had Sub-Committees at work on such subjects as the unemployment problem in Europe, a Pact of Economic Non-Aggression, a practical examination of the problems related to Tobacco in Bulgaria, Greece, and Turkey, but owing to unfavourable political circumstances, no meetings of the Commission were held. The Commission appears to be rapidly losing the importance earlier attached to it. The 1933 Assembly decided to renew for twelve months the Commission's term of office, and the following estimate, similar to those voted in 1932, 1933, has been included in the Budget for next year.

	<u>Swiss francs</u>
Plenary meetings (three sessions)	10,000
Printing	22,125
Sub-Commissions (twelve sessions)	24,000
Printing	12,000
Telegrams and travelling expenses	9,000
Committees of experts (three sessions)	60,000
	<hr/>
Total	137,125

An effort will probably be made at the forthcoming Assembly to have the Commission's term of office extended for another year, though, in view of the League's financial difficulties, it will probably be more difficult to secure general consent to such an extension than it has been in the past. The work of the Commission is not of importance to Canada and if there is any general disposition to curtail its functions it would probably be good policy to fall in with the movement.

9. Conclusion of a General Convention on the Protection of Minorities: Proposal of the Polish Government.

During the past few years Poland, Greece, Roumania, Hungary, Czechoslovakia, Yugoslavia, and other central and Eastern European States, which under the Versailles Settlement agreed to guarantee to racial, linguistic and religious minorities within their boundaries, the same legal rights as other nationals, particularly in the establishment and management of schools, the exercise of professions, public employment, etc., have been endeavouring, as an alternative to having their special obligations abolished, to have them generalized by the adoption of a universal legal system applicable alike wherever racial, linguistic or religious minorities exist.

In view of the possible political proportions which the latest Polish effort to generalize "minorities" obligations may assume, and of the special interest which Canada has always taken in this aspect of the work of the League, it may be advisable to deal in some detail with the "minorities" problem both in its general aspects and in its relation to Canada.

The general aspects of the problem have been admirably set forth by the League Secretariat and for convenience of reference may be reproduced here. It is pointed out that the existence of minorities is not a recent phenomenon, nor is their protection an innovation in international law.

Minorities existed before the war, and diplomatic history affords numerous examples of treaties with special clauses aimed at providing guarantees for groups of population differing in race, language or religion from the majority of the population of the State to which they belong. The supervision of the application of these guarantees was generally left to the signatory States, upon whom rested the responsibility of taking any diplomatic measures necessary to ensure that the Treaties were respected.

This system conferred on the Great Powers something approaching a right to interfere in the internal affairs of certain States, and it was a right which could, on occasion, be used for purely political ends. It was also the fact that neighbouring States most of whose population belonged to the same race, spoke the same language and professed the same religion as those of the minority in the other State, considered themselves morally bound to watch over the interests of this minority. The intervention of Great Powers and the protests and action of neighbouring States frequently led to misunderstandings and to conflicts which endangered peace without serving the interests of the minorities. Long before the war, the drawbacks and risks of this system were obvious. The changes which the 1919 Peace Treaties effected in the territorial status of Europe resulted in a change of nationality for many populations. It became necessary

to provide for the protection of the minorities thus constituted in order to prevent them from becoming a source of disturbance to the peace of the world. The authors of the Treaties decided to establish a system which would guarantee minorities against oppression, and which would guarantee the States concerned against the interference of other States in their domestic affairs.

The Treaty clauses for the protection of minorities were to be considered as obligations of international concern and placed under the aegis of the League of Nations.

The origin and purpose of this step are clearly and authoritatively stated in the covering letter which the President of the Peace Conference, M. Clemenceau, addressed on June 24th, 1919, to the Polish representative, M. Paderewski, with the Polish Minorities Treaty:

"1. I would point out (wrote M. Clemenceau) that this Treaty does not constitute any fresh departure. It has for long been the established procedure of the public law of Europe that, when a State is created, or even when large accessions of territory are made to an established State, the joint and formal recognition by the Great Powers should be accompanied by the requirement that such State should, in the form of a binding international convention, undertake to comply with certain principles of government. This principle, for which there are numerous other precedents, received the most explicit sanction when, at the last great assembly of the European Powers - the Congress of Berlin - the sovereignty and independence of Serbia, Montenegro and Roumania were recognised.

2. The Principal Allied and Associated Powers are of opinion that they would be false to the responsibility which rests upon them if on this occasion they departed from what has become an established tradition. In this connection, I must also remind you that it is to the endeavours and sacrifices of the Powers in whose name I am addressing you that the Polish nation owes the recovery of its independence. It is by their decision that Polish sovereignty is being re-established over the territories in question and that the inhabitants of these territories are being incorporated in the Polish nation. It is on the strength which the resources of these Powers will afford to the League of Nations that, for the future, Poland will to a large extent depend for the secure possession of these territories. There rests, therefore, upon these Powers an obligation, which they cannot evade, to secure in the most lasting and solemn form guarantees for certain essential rights which will afford to the inhabitants the necessary protection whatever changes may take place in the internal constitution of the Polish State.

It is in accordance with this obligation that clause 93 was inserted in the Peace Treaty with Germany. This clause relates only to Poland, but a similar clause applies the same principles to Czechoslovakia, and other clauses of the same nature have been inserted in the Treaty of Peace with Austria and will be inserted in those with Hungary and with Bulgaria, under which similar obligations will be undertaken by other States which under those Treaties receive large accessions of territory.

The consideration of these facts will be sufficient to show that, by the requirement addressed to Poland at the time when it receives in the most solemn manner the joint recognition of the re-establishment of its sovereignty and independence and when large accessions of territory are being assigned to it, no doubt is thrown upon the sincerity of the desire of the Polish Government and the Polish nation to maintain the general principles of justice and liberty. Any such doubt would be far from the intention of the Principal Allied and Associated Powers.

3. It is indeed true that the new Treaty differs in form from earlier conventions dealing with similar matters. The change of form is a necessary consequence and an essential part of the new system of international relations which is now being built up by the establishment of the League of Nations. Under the older system, the guarantee for the execution of similar provisions was vested in the Great Powers. Experience has shown that this was in practice ineffective, and it was also open to the criticism that it might give to the Great Powers, either individually or in combination, a right to interfere in the internal constitution of the States affected which could be used for political purposes. Under the new system, the guarantee is entrusted to the League of Nations. The clauses dealing with this guarantee have been carefully drafted so as to make it clear that Poland will not be in any way under the tutelage of those Powers which are signatories to the Treaty.

I should desire, moreover, to point out to you that provision has been inserted in the Treaty by which disputes arising out of its provisions may be brought before the Court of the League of Nations. In this way, differences which might arise will be removed from the political sphere and placed in the hands of a judicial Court, and it is hoped that thereby an impartial decision will be facilitated, while at the same time any danger of political interference by the Powers in the internal affairs of Poland will be avoided."

On February 13th, 1920, the Council agreed to assume the duties assigned to it. Some months later, in October, the Council determined "the nature and limits of the guarantees with regard to the protection of minorities provided for by the different Treaties" and drew up its procedure, which was amended in 1921, 1923 and 1925. Finally, in 1929, the Council, on the proposal of the Canadian representative, M. Dandurand, and the German representative, Dr. Stresemann, embarked

for the first time upon a thorough examination of the problem as a whole, dealing with both principles and procedure.

After prolonged debates, public and private, which occupied the greater part of its March and June sessions, after the work of a committee of three of its members which met in the interval between the sessions, and after the examination of a great number of documents and memoranda from fifteen Governments, the Council adopted its final resolution of June 13th, 1929. It was not found possible to reach agreement on questions of principle such as the nature and extent of the League's guarantee and the powers and duties of the Council, but an agreement was reached on procedure, and the Council unanimously adopted a series of new regulations which were added to the procedure already in force.

The following pages contain a brief analysis of the texts of the Treaties, Conventions, Declarations, etc., upon which League action is founded; of the measures taken by the Council to ensure their application; and of a few specific cases which will give a general idea of the League's activity in this connection.

BASIC TEXTS

International Engagement for the Protection
of Minorities

The texts governing the League's action comprise (1) five special treaties, known as the Minority Treaties, concluded between the Principal Allied and Associated Powers and Czechoslovakia, Greece, Poland, Roumania and Yugoslavia; (2) four special chapters inserted in the Treaties of Peace of Saint Germain (Austria), Neuilly (Bulgaria), Trianon (Hungary) and Lausanne (Turkey); (3) five Declarations made before the Council, in accordance with a recommendation of the Assembly (1920), by Albania, Estonia, Finland (for the Aaland Islands), Latvia and Lithuania on or after their admission to the League; (4) two special Conventions - the Germano-Polish Convention on Upper Silesia and the Convention for the Memel Territory.

The list of these international agreements, which form a net-work covering almost the whole of Central and Eastern Europe, shows the exceptional character of the system. Its creators had no intention of establishing a general legal system applicable wherever racial, linguistic or religious minorities existed. They simply aimed at easing the solution of problems which might arise from the existence of minorities in certain countries where there was reason to suppose that, owing to special circumstances, these problems might present particular difficulties. That

is why the Covenant contains no special article on the protection of minorities, although the insertion of such a clause was at one time contemplated at the Peace Conference.

But the idea of a general system for the protection of minorities has been discussed several times in the Assembly, which, in 1922, adopted this resolution:

"The Assembly expresses the hope that the States which are not bound by any legal obligations to the League with respect to minorities will nevertheless observe in the treatment of their own racial, religious or linguistic minorities at least as high a standard of justice and toleration as is required by any of the Treaties and by the regular action of the Council."

Rights of Minorities

The texts all contain (1) a list of the rights guaranteed to minorities and (2) a clause regarding the guarantee of the League.

The rights may be grouped under two headings. The first includes general rights more or less common to all minorities in territories which have accepted the system for the protection of minorities by the League - namely, the right to nationality, the right to life, personal liberty and freedom of worship; the equality of all nationals of the same country before the law; equality in the matter of civil and political rights; equality of treatment and security in law and in fact, rights to the use of the minority language.

The differences of race, language or religion are not to prejudice any national of the country in admission to public employments, functions and honours or in the exercise of professions and industries; nationals belonging to minorities are to have equal rights to establish, manage and control, at their own expense, charitable, religious and social institutions, schools and other educational establishments, with the right freely to use their own language and to exercise their own religion.

States undertake to impose no restrictions on the free use by any national of any language in private intercourse, in commerce, in religion, in the Press and in publications of any kind, or at public meetings, and to grant nationals speaking a language other than the official language appropriate facilities for the use of their own language, either orally or in writing, before the Courts. They undertake to grant in towns and districts where there is a considerable proportion of nationals speaking a language other than the official language of the State appropriate facilities to ensure that, in primary education (in the Czechoslovak Treaty the phrase employed is "in education") children of such nationals are taught in their own language. This provision does not, however, prevent Governments from making the teaching of the official language obligatory.

The Treaties also stipulate that, in towns and districts where there is a considerable proportion of "minority" nationals, the latter shall be assured an equitable share in the enjoyment and application of sums provided out of public funds under the State, municipal or other budgets for educational, religious or charitable purposes.

The second category includes certain special rights guaranteed to minorities specially situated, such as the Jewish minorities in Greece, Poland and Roumania, the Valachs of Pindus in Greece, the non-Greek monastic communities of Mount Athos, the Moslem minorities in Albania, Greece and Yugoslavia, the Czeckler and Saxon communities in Transylvania and the Ruthene territory south of the Carpathians (Czechoslovakia).

Guarantee of the League of Nations

The clause embodying the guarantee of the League of Nations reads as follows:

"Poland (or Austria, Czechoslovakia, etc.,) agrees that the stipulations in the foregoing Articles, so far as they affect persons belonging to racial, religious or linguistic minorities, constitute obligations of international concern and shall be placed under the guarantee of the League of Nations. They shall not be modified without the assent of a majority of the Council of the League of Nations. The United States, the British Empire, France, Italy and Japan hereby agree not to withhold their assent from any modification in these Articles which is in due form assented to by a majority of the Council of the League of Nations.

Poland (or Austria, Czechoslovakia, etc.,) agrees that any Member of the Council of the League of Nations shall have the right to bring to the attention of the Council any infraction, or any danger of infraction, of any of these obligations, and that the Council may thereupon take such action and give such direction as it may deem proper and effective in the circumstances.

Poland (or Austria, Czechoslovakia, etc.,) further agrees that any difference of opinion as to questions of law or fact arising out of these Articles between the ... Government and any one of the Principal Allied and Associated Powers or any other Power a Member of the Council of the League of Nations, shall be held to be a dispute of an international character under Article 14 of the Covenant of the League of Nations. The ... Government hereby consents that any such dispute shall, if the other party thereto demands, be referred to the Permanent Court of International Justice. The decision of the Permanent Court shall be final and shall have the same force and effect as an award under Article 13 of the Covenant."

This clause is the most important innovation in the Minorities Treaties, and is the key-stone of the whole system. Some analysis is therefore necessary.

The first paragraph confines the League's guarantee to "persons belonging to racial, religious or linguistic minorities." The significance of this restriction will be realised when it is remembered that the Minorities Treaties establish some very important rights, such as the right to protection of life and liberty, and certain rights to equality, not only for the benefit of the minorities, but also of all nationals and, in fact, of all the inhabitants of the country. These "universal" rights are not under any international guarantee. Secondly, the rights of

the Principal Allied and Associated Powers as parties to these Treaties are transferred to the Council of the League in the event of any change in the Treaties. An agreement between a signatory State and the Council - not between the signatory and the Principal Allied and Associated Powers - is necessary before the Treaty can be modified, the Council's decision being taken by majority vote.

The second paragraph reserves to the Members of the Council - that is to say, to a certain number of Governments only - the right to bring to the attention of the Council any infraction or danger of infraction of the minorities provisions. This has given rise to some discussion and controversy. At the time of the negotiations leading up to the Albanian Declaration on the protection of minorities, the Greek Government asked that a clause should be inserted giving it the right to bring to the notice of the Council any infraction or danger of infraction of the obligations which Albania was about to assume. The Council thought there was no occasion to insert such a clause, as it would have constituted an exception to the general principles adopted in all the Minorities Treaties. In 1925, Count Apponyi, the Hungarian representative at the sixth session of the Assembly, maintained that it ought to be possible for the Council to be notified directly, by means

of petitions from sources such as supreme ecclesiastical organizations or the cultural or economic institutions of the different countries. M. de Mello Franco (Brazil), discussing this question in the statement which he made to the Council in his own name, on December 9th, 1925, drew attention to the practical difficulties which would be created by such a procedure, and asserted that it was incompatible with the letter of the Treaties, by which even States which are Members of the League but not represented on the Council have no such power of direct notification.

The second paragraph of the guarantee clause, which states that, when a minorities question has been brought before it, the Council may "thereupon take such action and give such direction as it may deem proper and effective in the circumstances," is extremely general, and confers wide powers on the Council, without any indication as to the procedure to be followed. The only rule of procedure applicable is that contained in Article 4 of the Covenant, which states that any Member of the League not represented on the Council shall be invited to send a representative to sit as a member at any meeting when a question specially affecting its interests is brought before the Council.

In practice, the Council has always considered itself an organ of conciliation in these matters, and all minorities questions with which it has had to deal

have been settled by agreement with the Governments concerned. In two cases (settlers of German race in Poland and acquisition of Polish nationality), the Council asked the Permanent Court of International Justice for an advisory opinion on certain points of law.

With regard to the third paragraph (reference to the Permanent Court of International Justice), its importance was emphasised by M. Clemenceau, in his covering letter to the Polish Minorities Treaty: "differences (he said) which may arise will be removed from the political sphere and placed in the hands of a judicial body." It was in the spirit of this declaration that the Third Assembly (resolution II of September 21st, 1922) recommended the Members of the Council to appeal without unnecessary delay to the decision of the Permanent Court of International Justice on any difference of opinion with the Governments concerned on questions of law or fact.

Interpretation of the Guarantee Clause

It was inevitable that the application of a clause constituting such a profound change should be the subject of various interpretations, and this led to a thorough study of the clause at the Council sessions of March and June 1929. The German Government argued that the clause should have a general

character not only empowering the Council to intervene in specific cases, but also laying upon it the obligation to exercise permanent supervision over the position of minorities in the various countries which had accepted minorities obligations. In support of this argument, the German Government pointed out that the League had frequently been occupied with the execution of dispositions governing the protection of minorities apart from specific cases submitted to the Council. It quoted an extract from M. Tittoni's report of October 1920 to the effect that the League must assure itself that the provisions for the protection of minorities were always observed, and gave as examples the establishment of the 1926 Protocols on Greek minorities in Bulgaria and Bulgarian minorities in Greece; the Council's intervention at the request of the Albanian Government and under Article 11 of the Covenant on the position of the Albanian minorities in Greece; the communications spontaneously addressed to the Council by different States on the way in which minorities were treated; a proposal of the Finnish delegation to the Third Assembly (1922) that a special commission be appointed "to make a thorough investigation of the question of national minorities and to report thereon to the Assembly."

According to the German Government, these examples showed that the idea of general supervision by the League was not entirely new. The reform suggested was merely that the supervision hitherto exercised without any special system should, in the light of the experience gained during the first ten years of the League's existence, be organised according to certain definite rules. To assist the Council in this general supervision, the German Government proposed the creation of a special permanent committee on minority questions, such as the Committees already existing for communications, economic and other questions. By making use of all sources of information at its disposal, and particularly of information furnished by the States concerned, such a committee might collect all available material on the state of the minorities question at any given time and subject it to a critical analysis. It might then at fixed intervals communicate to the constitutional authorities of the League any observations and suggestions, compatible with the Treaties and Declarations in force, which it might desire to make.

At the Council Committee meeting of June 11th, 1929, Dr. Stresemann explained further his Government's views. He had intended neither that a supervisory or executive body should be established, nor that the authority of any country should be

impaired, nor that any kind of organization should have the power to interfere with the sovereignty of a country. What had been contemplated was a body whose only duty would be to follow the situation closely, without having any right of investigation into the affairs of the various countries concerned.

On this subject, the Committee of the members of the Council entrusted with the preliminary examination of the questions submitted the following conclusions:-

"The Treaties contain no provisions permitting the Council to exercise constant supervision with regard to the situation of minorities - i.e., a supervision capable of being exercised apart from cases in which a Member of the Council has drawn the latter's attention to an infraction or danger of infraction of the Treaties.

It is by the latter that the functions of the Council are specified. Modifications in the Treaties require the assent of the Council (acting by a majority) and the Council can take action when an infraction of the treaty stipulation (or danger thereof) is brought to its notice by one of its Members. It is through the working of these provisions that the operations of the guarantee of the League of Nations under which the minority clauses are placed is ensured. Any supervision outside the examination of cases of infraction, or danger of infraction, which might be brought to the Council's notice in conformity with the Treaties would be outside the scope of the latter, and it could not be instituted without the consent of the parties to the Treaties. The suggestion in question would, moreover, modify to such an extent the conception on which the Treaties are based that the Committee does not feel able to make a recommendation to this effect."

As no decision was taken on these interpretations, the report submitted by M. Tittoni and adopted by the Council on October 22nd, 1920, must be regarded

as embodying the Council's official interpretation of the guarantee clause of the Minorities Treaties.

This text reads:

"It may be advisable at the outset to define clearly the exact meaning of the term 'guarantee of the League of Nations.' It seems clear that this stipulation means, above all, that the provisions for the protection of minorities are inviolable - that is to say, they cannot be modified in the sense of violating in any way rights actually recognised and without the approval of the majority of the Council of the League of Nations. Secondly, this stipulation means that the League must ascertain that the provisions for the protection of minorities are always observed.

The Council must take action in the event of any infraction, or danger of infraction, of any of the obligations with regard to the minorities in question. The Treaties in this respect are quite clear. They indicate the procedure that should be followed.

The right of calling attention to any infraction or danger of infraction is reserved to the Members of the Council.

This is, in a way, a right and a duty of the Powers represented on the Council. By this right, they are in fact asked to take a special interest in the protection of minorities."

PROCEDURE AND MACHINERY

The Minorities Treaties merely refer to the duty incumbent upon Members of the Council to see that the clauses providing for the benefit of minorities are duly observed. But the Members of the Council realised from the first that, however anxious they might be to observe the spirit of the Treaties, they would find it very difficult in practice to keep themselves directly informed on how the Treaties were being applied. It was in some ways undesirable that minorities should apply direct to individual Members of the Council; appeals of this kind would have the same disadvantages as the old system of protection of minorities by the intervention of the Great Powers, which the League of Nations guarantee had been specifically intended to obviate. Direct appeal of minorities to a foreign Power would have the further disadvantage that it might be interpreted by the Government under which the minorities were placed as a hostile action on their part.

It was necessary to establish a system enabling the Council to keep itself informed on how the Treaties were being applied and to examine such information without infringing either the letter or the spirit of the Treaties.

The Council succeeded in evolving a procedure which provides machinery within the framework of the Treaties empowering minorities to appeal to the League by petition; it ensured consideration of such petitions by a suitable body, and authorized the creation of a special section of the Secretariat to collect information, to prepare discussions and to see to the execution of decisions.

The Council was careful to avoid anything which, contrary to the Treaties, might lead to the appearance before it, as in a lawsuit, of two parties - the State and a minority or member of a minority in that State. From the guarantee clause, it is clearly a matter, not between the State and a minority, but between the State and the Council of the League of Nations. This is why the Council, rejecting any semblance of discussion or judicial hearing, has endeavoured to give minorities a right of direct appeal, at the same time taking care that the political unity of the State shall in no way be questioned.

The system for the collection of information is based mainly upon petitions. These may be addressed to the League by any person or association, whether belonging to the minority of the country concerned or not, and by any Government. To be

receivable, petitions must observe certain conditions. They must not emanate from anonymous or unauthenticated sources, they must not be couched in violent language, they must have in view the protection of minorities in accordance with the Treaties, they must not be submitted in the form of a request for the severance of political relations between a minority and the State, they must contain information or refer to facts which have not recently been the subject of another petition. Generally speaking, a signature is considered as authenticating the source of a petition and, in certain cases, telegraphic petitions have been considered as receivable before being confirmed by letter.

Once declared receivable, petitions are as a rule first communicated for observations to the Governments concerned and then forwarded with these observations to the Members of the Council for their information. Any State Member of the League can, on request, receive communication of petitions addressed to the Council.

The petitions are considered by the Council to be a source of information as to how the signatory States are executing the Treaties, and are communicated to Members of the Council for their information. Neither the petition nor the communication has a legal character.

In a memorandum which he addressed to the Council in March 1929, the Canadian representative, M. Dandurand, proposed that petitions should first be submitted by their authors to the Government concerned, with a request that they should be transmitted to the League Secretariat within a certain time if the Government did not consider it desirable to reply to the petitioners direct; should the Government not succeed in giving satisfaction to the petitioners, the latter, after explaining their reasons for maintaining their petition, might ask that all the correspondence exchanged upon the subject should be forwarded to the Secretariat. This proposal was rejected by the Council, the Committee entrusted with the preliminary examination of the question having expressed the opinion that it was incompatible with the Treaties, because the system recommended would, in many respects, have the character of proceedings before a tribunal.

A Minorities Committee of the Council is constituted for each petition. As soon as it is formed its Members receive a Memorandum prepared by the Minorities Section of the Secretariat, giving the various points in the petition coming within the scope of the Treaty, together with the Government's observations on each of them. The Minorities Section of the Secretariat, on which the

preparation of the Council's work and the execution of its decisions rest, collects the fullest possible information on the facts of the case, studies any points of law which may be raised and also collects information on the broad political, social, economic and cultural developments necessary for a proper understanding of the problem.

Since 1921 the Council has dealt with Albanian and Bulgarian minorities in Greece; the Greek minority in Bulgaria; Jewish minorities in Hungary; the Polish minorities and persons of Ukrainian and Russian origin in Lithuania; the acquisition of Polish nationality and the situation of landowners of German origin in Poland; the Lithuanian minorities in the region of Vilna; the liquidation by the Polish Government of the property of certain Polish nationals; landowners of Hungarian origin in the Banat and in Transylvania; the organization of the Ruthene territory south of the Carpathians (Czechoslovakia) as an autonomous unit; the Greek minorities in Constantinople and the Turkish minorities in Western Thrace; the Armenian minorities in Turkey.

All arose in connection with one or other of the essential rights guaranteed to minorities - the acquisition of nationality, the

use of the minority language, education, personal liberty and freedom of worship, equality of treatment in law and in fact. Its methods of settlement have been very flexible and extremely varied but the friendly co-operation established between the Minorities Committees of the Council and the Governments concerned has, in most cases, led to fair and satisfactory settlement.

Discussion of the Problem of the Treatment of Minorities at the last Assembly.

At the last Assembly, the representatives of Poland, Greece and the Little Entente argued, in the Sixth Committee, that the idea which found affirmation in the minorities treaties could not live without development. It was contrary to international morality, in their opinion, that they should be controlled for long by States where the minorities problem was raised without being adjusted. The best solution of the problem would be a mixed system with a recognition of the "rights of man" for all, and which would substitute juridical protection for political protection. If the League of Nations desired to make the protection of minorities a universal rule, they would give their loyal collaboration to these efforts. Meanwhile, it was inopportune to change the existing system by increasing the exceptional obligations that certain States had assumed.

Several delegations (Irish Free State, Netherlands, Sweden) were in sympathy with the proposal requesting a study of the question of extending the minorities regime. On the other hand, the delegate of Italy said he did not think it opportune to open a discussion on this point.

During the discussion the Committee had before it three different proposals relating to the general issues, one from the French and the two others from the Polish and Haitian delegations respectively. The French proposal contained two suggestions - the first to the effect that the Assembly should re-affirm the recommendations adopted on 21st September, 1922, and proclaim that States which are not bound by any legal obligations to the League with respect to minorities must nevertheless observe, in the treatment of their own racial, religious or linguistic minorities, at least as high a standard of justice and toleration as is required by any of the treaties and by the regular action of the Council; and the second to the effect that the Assembly considers that there is no justification for any interpretation of the minorities treaties or of the foregoing recommendation which would exclude certain categories of citizens from the benefit of the provisions which in those treaties refer to all nationals "without distinction of race, language or religion."

The Polish proposal was that the Assembly should request the Council to appoint a committee of enquiry to study the problem of the general application of the system of protection of minorities and submit to the next Session of the Assembly a draft general Convention on the Protection of Minorities involving the same obligations for all States Members of the League.

The proposal submitted by the Haitian delegation was to the effect that the Assembly should express the hope that a World Convention ensuring the protection of and respect for the rights of men and of citizens would be drawn up under the auspices of the League of Nations.

After the general discussion, the Sixth Committee decided to refer the four proposals to a Sub-Committee. In the Sub-Committee the Polish and Haitian proposals, together with a compromise proposal laid before the Sub-Committee by the Swedish delegation, gave rise to a very full exchange of views between the various delegations represented. The compromise was that the Assembly should request the Council to make such arrangements as it might think fit for a preparatory study of the question of consolidating the principles of the protection of minorities by legal obligations, in order that it might be placed on the agenda of the Fifteenth

Ordinary Session of the Assembly. In the course of the discussion, it was also suggested that, for the moment, the Governments of the States Members of the League should merely be asked their opinion on the expediency of studying this question. This suggestion was rejected. Certain delegations having explained the reasons why they were unable to accept it, the Swedish delegation and the Polish and Haitian delegations agreed not to press for a vote on their respective proposals. Certain delegations expressed keen regret that it had not been possible to arrange at that stage for a study of the question of generalising the system for the protection of racial, linguistic and religious minorities, at all events on the continent of Europe, as well as the rights of men and citizens, and pointed out that, in their view, the generalisation of the system was essential, on account of the principle of the legal equality of all States, and could not be deferred without endangering the value of the Treaties already in operation on the subject.

Finally, the Sub-Committee proceeded to consider the French proposal. Its first paragraph was unanimously agreed to, with an amendment suggested by the Italian delegation which brought it strictly into line with the resolution adopted by the Assembly of 1922, and subject to a statement which

the German delegation announced that it proposed to make in the Sixth Committee. Certain delegations agreed to a mere reference to the resolution of 1922 reluctantly, and only for the sake of securing unanimity. They desired to state that, although it had not been possible, for the present, to proclaim it as an international obligation for all States to grant their racial, linguistic or religious minorities treatment equal to that provided for in the special Treaties, they were still convinced that such an obligation already existed in international law, and that consequently the resolution proposed to the Assembly could not call its existence in question.

The second paragraph of the French proposal gave rise to a prolonged discussion in the Sub-Committee. The German delegation intimated that it regarded the idea underlying this part of the proposal as directly referring to the Jewish question in Germany, and that it was therefore impossible for that delegation to agree to the proposal, no matter in what form it might be expressed. At the request of the French delegation, the second paragraph of the draft resolution was finally adopted by the Sub-Committee, on a vote by roll-call, by 11 votes to 1, twelve members voting.

In the Assembly, the report and the first resolution were adopted, but the second resolution was not adopted owing to the opposition of the German delegation.

During the discussion in the Sixth Committee, the Honourable R. J. Manion, the senior delegate from Canada, expressed the view that in Canada friction had been removed by toleration, by justice to all classes, by mutual understanding, by an unfettered Press and particularly by free parliamentary institutions. Canada had largely settled her minority questions. She believed in two principles - respect for what M. Briand called the "sacred rights" of minorities, and the duty of minorities to be loyal and faithful citizens. He realized that conditions in Europe were different from those in Canada. In Europe, boundaries had been changed and groups of people placed under a different sovereignty. On the other hand, the people who had come from other parts of the world to Canada had accepted Canadian sovereignty and Canadian laws. As a result, the inhabitants of Canada to-day were united under the same sovereignty and devoted to the same ideals, and yet were diverse in race and culture.

Present Polish Proposal

By a letter dated April 10th, 1934, the Polish Government requested that a draft resolution submitted by it with a view to the conclusion by an international conference of a general convention for the protection of minorities should be included in the agenda of the Assembly.

The text of the draft resolution reads as follows:-

"The Assembly of the League of Nations,

Considering that the minorities treaties at present in force and the declarations on the international protection of minorities made before the Council by certain States are only binding upon some of the Members of the League of Nations, whereas other Members of the League remain free from any legal undertaking in this respect;

Being of opinion that such a state of affairs affords an international guarantee to certain minorities only, and leaves the others, which can in no circumstances appeal to the League of Nations, without international protection;

Considering that such a distinction between protected and non-protected minorities is in contradiction with the sentiment of equity and justice;

Having regard to the fact that racial, linguistic and religious minorities which are not covered by the present system for the protection of minorities and which have the same moral right to the protection of the League of Nations as the protected minorities are to be found in almost all European and extra-European countries;

Declares that the present situation in regard to the international protection of minorities is not in harmony with the

fundamental principles of international morality, and is of opinion that it should be remedied by the conclusion of a general Convention on the protection of minorities, such Convention to provide for the same undertakings on the part of all Members of the League of Nations and to ensure international protection for all racial, linguistic and religious minorities;

Decides to summon for that purpose an international Conference consisting of all the Members of the League of Nations, in order to draw up a general Convention on the international protection of minorities; and

Requests the Council to take the necessary steps to summon that Conference in the near future, and in any case within six months from the close of the proceedings of the present session of the Assembly."

Its General Objectives

The formal proposal put forward by Poland that an international Conference be convoked to draw up a general Minorities Convention applicable to all countries appears to be essentially a tactical move. Poland and the other Succession States have long been restive under the criticism to which their treatment of their several minorities has been subjected by public opinion in other countries. When confronted with Minorities petitions alleging violation of treaty rights their normal response has been either (1) to deny the facts, or (2) to challenge the legal competence of the League to take any action on the cases laid before it, or in some cases to employ both methods. This reaction shared by Czechoslovakia, Yugoslavia, and

Roumania and, since Hitler's accession to power, by Germany, has found expression in:

(1) a continuous effort to restrict the Council's competence in Minorities cases by a narrow and static interpretation of the Treaty obligations;

(2) opposition to every effort to simplify and expedite the procedure by which Minorities grievances are investigated by the appropriate organ of the League;

(3) opposition to the proposal put forward in the past by disinterested States that Minorities procedure be assimilated to Mandates procedure by the delegation of the Council's authority in this field to a Permanent Commission which could watch over the execution of Minorities treaties in the way that the Mandates Commission supervises the policies and administration of the Mandatory powers.

(4) an effort, unavailing, to exclude the discussion of Minorities questions from the Agenda of the Assembly on the ground that they were within the exclusive competence of the Council.

This entirely negative attitude of the Succession States - maintained for ten years - is now replaced by a new positive policy, embodied in the Polish proposal before the present Assembly. Weary of defending themselves against charges of treaty violation Poland and the other States with

similar interests and obligations are counter-attacking. The tactical shift is probably a shrewd move, which might be compared with Hitler's repeated offers to abolish all offensive armaments. In each case the objective is release from existing obligations and the attainment of full "equality of status" - and it is being sought through the advocacy of a generalized obligation applicable unconditionally to all nations alike. But Poland as prophet of freedom and toleration is as awkward and unconvincing as Germany in her new role preaching peace and disarmament. The plea is plausible yet it does not carry conviction.

Canada's Attitude

The Polish proposal is, however, not easily refuted. It is difficult, especially for members of the British Commonwealth of Nations, on the one hand, to deny the right of distressed minorities to international protection or, on the other hand, to refuse Poland equality of status.

As a member of the Council of the League Canada took a rather prominent part as a champion of minority rights and, as pointed out above, Senator Dandurand, the Canadian delegate, proposed in 1929 to make more effective the guarantees accorded to Minorities in the various countries of Central and Eastern Europe by simplifying and expediting the procedure by which their petitions were examined by

the Council. But apart from this general interest in having the Minorities problem dealt with on just and humanitarian grounds and thereby securing the removal of a potent cause of international unrest - an interest which is, of course, shared with every well-meaning country - it should perhaps be noted that there are two or three special aspects of the problem which are of interest to Canada in connection with the Polish proposal and may be considered briefly in relation to it.

The first of these arises from the settlement in Canada of considerable numbers of members of racial or linguistic groups forming part of oppressed minority groups in other countries. The most important of these is the Ukrainian group. Immigrants belonging to this group have settled in Canada to the extent of about 225,000 persons, maintain contact with their parent group and are stirred up by any ill-treatment of that group. It may be noted that unlike most Minority groups which claim affiliation with some sovereign state, the Ukrainians have no such "protection". Indeed there are more Ukrainians in Canada than in any country but Poland and the U.S.S.R. This situation does, perhaps, give Canada a special interest and concern in the treatment of this Minority - particularly as bad feeling between Poles and Ukrainians at home is reflected, to some extent, in strained relations between immigrant groups in Canada.

A considerable number of petitions have been received from Ukrainian organizations in Canada protesting strongly against the treatment meted out to the Ukrainian minority in Poland, and seeking the intervention of the Canadian Government in their behalf. The oppression of the Jews by the present German Government, which refuses to recognize the Jews as a minority group, similarly leads Jewish organizations to exert influence upon the Government, either to bring pressure upon Germany to desist in its ill-treatment of the Jews, or to accord special privileges for the persecuted minority to find a haven of refuge in Canada.

A second guiding principle of Canadian policy in dealing with the question of minority rights is the desirability of guarding against any movement either at Geneva or elsewhere to have immigrant groups, such as the Ukrainian, the Doukhobor, the Mennonite, the Italian, who have tended to segregate themselves in small homogeneous communities, guarding their language, religion and national customs, be regarded, or regard themselves, as national minorities in Canada. In order to achieve a workable measure of cohesion in the population and to develop a truly national feeling and outlook it is essential in a new country that the policy of assimilation to national conditions and national ideals which has been followed by

Canada and other countries similarly affected should be maintained.

Moreover, if the question of the protection of national minorities should come to be examined on a world-wide basis as envisaged in the Polish proposal it seems not improbable that, judged by Central and Eastern European standards, the French-speaking minority in Canada, taken from their mother country by force of arms and which has since maintained to a considerable extent its own peculiar laws, customs and traditions, might come to be regarded as a national minority thus re-opening the vexed school questions etc., that disturbed the Western Provinces a generation ago.

It is true that the Minority treaties, to the regionalized application of which Poland now objects, do not define the term "national minority" and do not, in fact, make use of the term at all. They speak only "of persons belonging to racial, religious or linguistic minorities" or of "inhabitants of a country who differ from the majority of the population in race, language and religion". And though it is fair to say that the treaties referred to above were really devised for the protection of national minorities, it would be a far cry to maintain that such minorities in Canada stand in need of international protection. For

it is not enough to point out that a more or less considerable proportion of the population of a country belongs to a different race, language or religion to that of the majority in order to prove the existence of a minority problem which would justify a special system of international protection being set up. The French-speaking population of Switzerland and, even more, the population of the Italian-speaking cantons constitute linguistic minorities, but nobody could maintain that they need international protection. On the other hand there appears to be growing up a considerable tendency not only to increase the guarantees accorded to national minorities but also a disposition to recognize as national minorities groups which have hitherto not been recognized as such.

In view of these various considerations, none of which can be considered as of any immediate concern, it would seem desirable not to support the Polish proposal for an international Conference of all the members of the League to draw up a general Convention on the international protection of minorities. The dissimilarity of conditions in Canada and the absence of any national minority requiring international protection could readily be put forward in justification of such an attitude.

The fact that adoption of the Polish proposal would probably lead to conflicts of jurisdiction in certain parts of the Commonwealth would be equally true but less convincing at Geneva.

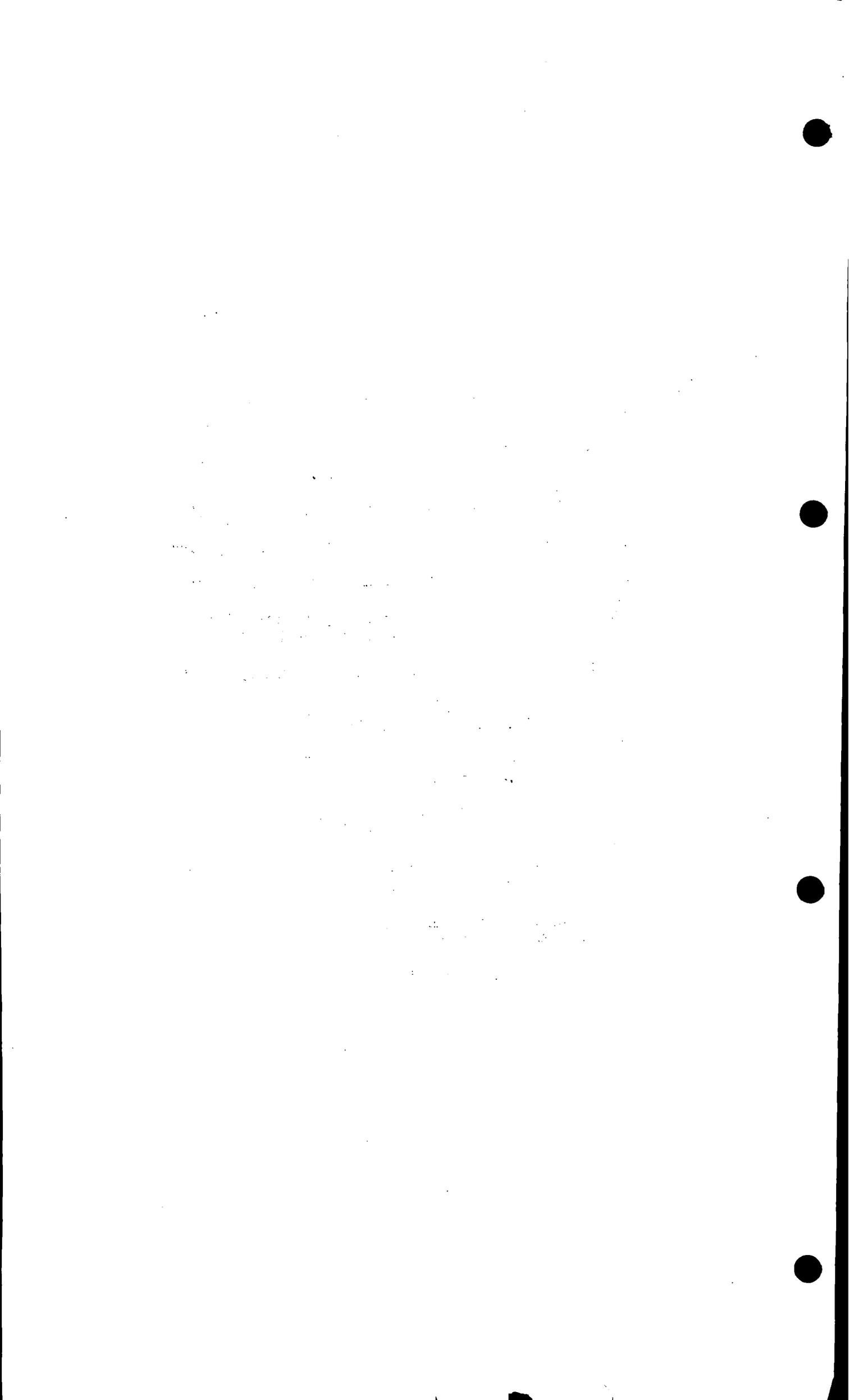
It will probably not be necessary, however, to take the lead in actively opposing such a Conference. France mindful of the special problem of Alsace, of the infiltration of Italian immigrants in her depopulated farm lands along the Mediterranean, would probably hedge. Italy busily assimilating the Germans of the South Tyrol and the Croats in Istria would certainly demur; a number of other countries, such as Australia, South Africa, Argentina, which like Canada are or have recently been regarded as immigration countries, alarmed lest more or less homogeneous immigrant groups claim privileges thus assured to historic minorities would hesitate before accepting such a general obligation.

Poland moreover will probably not press her project too obstinately trusting that in the resultant confusion of purpose - paralleling the procedure of the Disarmament Conference - the moral obligation of States already bound by international agreement to respect minority rights would insensibly be whittled away.

11. Budget of the League for the Seventeenth
Financial Period (1935).

Financial Control

The Assembly is the supreme authority in matters of League finance. The body responsible for applying the financial regulations is the Supervisory Commission, a body of five members, of whom one at least must be a financial expert, appointed by the Assembly for a period of three years, care being taken that some of them belong to countries Members of the League not represented on the Council. Under the regulations governing the Financial Administration of the League, it is the duty of the Commission to examine the League Budget and to report to the Council and Assembly thereon and, in general, to advise the Council



and Assembly on all questions relating to the Financial administration of the League.

The Commission meets for the purpose of examining the Provisional Budget in May of each year. It has not the power to alter the Budget, but every effort is made by the League administrations to meet the views of the Commission in its endeavours to keep down expenditure. When agreement is reached, the consolidated Budget, with the comments of the Supervisory Commission and explanations by the competent officials, is printed and circulated to the Members of the League.

The Council also considers the expenditure proposed for the Secretariat and the Permanent Court of International Justice, but of recent years has contented itself with referring these estimates, without critical comment, to the Assembly.

When the consolidated Budget, together with any proposals for capital expenditure or working capital, reaches the Assembly, it is referred to the Fourth Committee, officially known as the Finance Committee, for examination and report. When passed by this Committee, the Budget is brought to the Assembly for final approval.

League Financial Year and Currency

The League's financial year is the calendar year and its currency the gold franc. The gold franc being merely an accounting currency, adopted in lieu

of legal currencies subject to fluctuations, the United States dollar - which at the time was convertible into gold - was adopted for the purpose of determining the gold franc's value for the above purpose, the calculation being based on the dollar exchange parity at the rate of 1 dollar = 5.1826 gold francs.

New Form of the Budget

The provisional Budget for 1935 in accordance with the usual practice contains three separate parts: one concerning the expenses of the Secretariat drawn up by the Secretary-General; one concerning the International Labour Organization, prepared by the Director and approved by the Governing Body of the International Labour Office; and one concerning the Permanent Court of International Justice, prepared by the Registrar and approved by the President of the Court.

The Budget of the Secretariat this year is submitted in a new form. The main features of the budgets for the years 1922 to 1934 were that, in addition to the estimates for the general services of the Secretariat - including personnel, maintenance, office expenses, etc., - there was provided, for each of the main activities of the League, a separate budget, covering meetings of committees and conferences, printing staff and incidental expenses. The 1935 Budget is drawn up on essentially different lines. The estimated expenses are grouped, not only

according to their nature, but also according to the degree of responsibility assumed for their origin and operation. Thus, all travelling expenses are grouped in one sub-head, all removal expenses in another, all cables and telegrams in a third. Again, the items which owe their creation to explicit decisions of the Council or the Assembly, or which may only be drawn up by specific decisions of these bodies, are grouped in Chapters I and II; while all expenses for which the Secretary-General is directly and solely responsible - and which, it may be said in passing, can be very accurately estimated - are shown in Chapter III.

The Assembly will, however, doubtless wish to continue to be in a position to ascertain the cost of each of the various activities undertaken by the League. For this purpose, auxiliary budgets in respect of each of the special organizations appear as annexes to the main Budget.

Comparison of Provisional Budget for 1935
with Budgets for 1933 and 1934, showing
allocation under the principal sections
into which the Budget is divided.

	<u>1933</u>	<u>1934</u> (Gold francs)	<u>1935</u>
Secretariat and Special Organizations:			
Ordinary expenditure	16,354,978	15,562,631	14,876,024
Capital expenditure	313,000	141,000	137,000
International Labour Organization:			
Ordinary expenditure	8,812,472	8,189,876	8,496,046
Capital expenditure	102,000	68,000	40,000
Permanent Court of International Justice:			
Ordinary expenditure	2,636,300	2,517,477	2,514,296
Capital expenditure	24,996	21,350	21,350
Nansen International Office for Refugees	297,763	300,000	280,000
Buildings at Geneva	2,034,659	2,000,000	2,209,000
Pensions	1,841,530	1,838,941	1,772,600
Working Capital Fund	432,177	--	--
# Permanent Central Opium Board	--	,	114,984
Total	32,849,875	30,639,275	30,461,300

This new expenditure arises from the entry into force of the Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs.

The following figures give the League Budget totals for each year up to 1933:-

<u>Financial Period</u>	<u>Gold francs</u>
1st. May 1919 - June 1920	5,065,803
2nd. July 1920 - December 1920	10,000,000
3rd. January-December 1921	21,250,000
4th. " " 1922	20,873,945
5th. " " 1923	25,673,508
6th. " " 1924	23,328,686
7th. " " 1925	22,658,138
8th. " " 1926	22,930,633
9th. " " 1927	24,512,341
10th. " " 1928	25,333,817
11th. " " 1929	27,026,280
12th. " " 1930	28,210,248
13th. " " 1931	31,637,501
14th. " " 1932	33,687,994

The actual expenditure for most of these years has been two or three million francs less than the Budget vote.

Charges of Over-budgeting

Charges have, from time to time, been brought against the League of over-budgeting for its annual expenditure. "Over-budgeting" is a

term which might suggest that the budgetary authority deliberately asks for larger credits than it requires, in order to allow of extravagant expenditure or of expenditure on purposes other than those for which the credits have been sanctioned. In this sense, the Supervisory Commission assures the Assembly, there is not any over-budgeting by the League.

It is perfectly true, on the other hand, that the actual expenditure of the League, has year after year, fallen short of the Budget provision. This was due to uncertainty as to the scope of the League's work. Conferences are budgeted for when there is every intention of convening them, and for various reasons they cannot in the end be convoked. In this sense, but in this sense only, the Supervisory Commission considers that there has been over-budgeting.

The Supervisory Commission has given much thought to the problem of bringing the credits and the actual expenditures into close correspondence.

With this end in view it has examined different schemes by which the total expenditure is carefully calculated with no margin for savings, but it has been forced to the conclusion that it had to prepare the Budget estimates for expenditure for 1935 on the same lines as its predecessors. The difficulty is that there is no elasticity about the revenue of the League. The League budgets for receipts exactly equivalent to the total of its budgeted expenditure. It can never collect more on account of that particular year; it may, and generally does, collect less.

In order, however, to make it clear to the Assembly in what directions a reduction of the estimates would be possible if the full revenue were assured, the Commission has given a list of the more important items for which it is unlikely that the entire credits will actually be spent.

The list is as follows:-

	Grant	Spent in	
		1932 Gold francs	1933
Grants for unforeseen expenditure at the disposal of the Council:			
(a) Political	500,000	28,000	22,000
(b) Financial	200,000	125,000	48,000
Disarmament:			
III. Investigations.	180,000	-	-
VII. New organ, etc..	500,000	1	1
Unforeseen expenses of the Secretariat..	40,000	14,500	17,000
Commission of Inquiry for European Union	137,125	13,000	200
Monetary and Economic Conference	400,000	1	185,000

1 No provision.

If a number of smaller items were added, the margin of possible savings might amount to as much as two million francs.

Retrenchment in Recent Years

The world-wide economic depression and the drastic reductions in expenditures which have been made by the constituent national governments have led to a strong movement in recent years to secure a substantial reduction in the expenditure of the League of Nations and its associated organizations. In 1932 the British Government suggested to the Council of the League that there should be an investigation by a small special committee of outstanding men of affairs as to whether all the services undertaken by the League were imperative and necessary; whether it was essential to employ the present amount of staff; and whether the level of remuneration could be afforded.

Adopting in part this suggestion at the session of September, 1932, the Assembly decided to request the Supervisory Commission to make a "detailed study of the possibilities of effecting economies in the expenditure of the League of Nations by means of a technical concentration of its activities and by any other means of re-organization and rationalization in the services of the Secretariat and of the International Labour Office."

The Commission was assisted by an official of the United Kingdom Treasury, seconded for the purpose by the United Kingdom Government. Their investigation was of the most thorough-going description and their suggestions, in conjunction with the efforts of the Secretary-General, secured a saving of 200,000 francs in the League Budget for 1934. Further, a new establishment was drawn up by the Director of the International Labour Office, which, when applied in its entirety, will effect an annual saving of 362,000 francs. The Commission made recommendations of an important character, on lines acceptable to the Assembly, affecting the private secretariats of the highest officials and the organization of the work of the Information Section of the League, and also put forward a number of suggestions designed to secure economy and efficiency in minor administrative matters. They further endorsed the proposal, which had been urged by the United Kingdom delegation, that a highly qualified officer should be made responsible for the exercise of continuous control over staffing arrangements and the co-ordination of activities, working methods and equipment. This report was accepted by last year's Assembly, and a reduction of 8.3 per cent was effected in the Budget for 1934 as compared with the previous year,

though all of this was not the result of increased economies, but was due to reductions which came automatically.

Necessary for Continued Economy

With the withdrawal next year of Japan, which, rather ostentatiously, has been paying its contributions fully and promptly - nearly 2,000,000 gold francs annually in recent years or about $7\frac{1}{2}$ per cent of the revenues - the need for economy will be greater than ever. The withdrawal of Germany will be a factor working in the same direction, though the condition imposed by Germany, a year before its withdrawal, namely that its contribution must be spent in Germany, had already practically eliminated Germany as a contributor to League finances. On the credit side of the ledger must be reckoned the contributions of the new members of the League, Argentina, Mexico, and Turkey and the contributions of the United States to the International Labour Office which will equal that made by the United Kingdom. The probable entry of the U.S.S.R. will also improve the financial position.

Canada's interest in urging further reductions in the expenditure of the League has become the more pressing through the depreciation of the Canadian dollar, which has tended to offset the effects of such economy in administration as has been achieved. The League Budget, and therefore the contributions of the Member States, is based on the gold franc and it is no longer possible, since the United States went off the gold standard, to pay in United States dollars,

calculated at the rate of exchange previously employed, namely \$1: 5.18 gold francs. About \$120,000 was required to provide for the exchange on Canada's assessment of 1,155,574.93 gold francs for 1933 and as the premium on Swiss funds is at present about 66 %, with a considerably greater sum in Canadian funds will be required to meet the assessment for the current year despite the fact that it is nearly 100,000 francs less than last year.

It may be interesting at this point to set forth the cost of the League to Canada since its establishment, as expressed in Canadian funds at par:-

<u>Date</u>	<u>Contribution</u> \$
1919-20	64,043.15
1920-21	200,000.00
1921-22	186,237.31
1922-23	195,140.47
1923-24	183,668.03
1924-25	168,353.29
1925-26	163,656.38
1926-27	165,271.06
1927-28	150,777.13
1928-29	155,568.18
1929-30	171,481.53
1930-31	184,169.73
1931-32	236,353.17
1932-33	220,613.94
1933-34	222,972.05

The Question of Further Retrenchment

Minor economies, which in any case have been made wherever possible during the past few years, do not serve appreciably to reduce Canadian contributions since the annual Canadian contributions amount, under the present scale of allocations, only to 35-1012½ of the total. It is not easy, however, to suggest any large-scale economies which could be effected without sacrificing the

essential work of the League. Economies on a major scale seem possible only by:

- (a) reducing the salaries of the staff; or
- (b) curtailing the activities of the League.

The question of the establishment and the salaries of the Secretariat is one of the most difficult problems met with in reducing the League Budget. The present estimates provide for 630 posts as compared with 698 in 1933, decreasing the amount payable in salaries, as compared with 1934, by 274,088 gold francs. Reductions in the salaries of officials is an especially difficult problem, as earlier Assemblies have found, since the great majority of the officials have been engaged under definite contracts. A committee of jurists, to which the matter was referred decided that reductions could not be made without the consent of the official in each case. Voluntary reductions have been proposed at various times, but on each occasion the Secretariat officials, for the most part, were not prepared to co-operate in the matter. Allowance was made in the 1934 Budget for a 10 per cent reduction introduced by the last Assembly in the scales of salary applicable to all new officials and to all previously serving officials receiving promotion. The economies effected in this way were not very large, however, because the recruiting

of new officials has virtually been suspended and promotions have become very rare. The Supervisory Commission has recommended that the 10 per cent reduction, applicable to appointments since 1932, be continued for 1935.

In view of the unsatisfactory state of League finances and of the fact that no substantial economies consistent with the proper functioning of the League are possible unless salaries are reduced and in view also of the rather complacent attitude of a large section of the League Secretariat and of the staff of the International Labour Office with respect to the question of salary reductions, it might be possible to make a further attempt to induce the employees concerned to accept a graduated salary reduction. It could be pointed out that their salaries are relatively high as compared with the salaries of officials in national civil services doing comparable work; that it has been necessary to enforce drastic reductions in salaries of national civil servants and an effort made to get them to accept a graduated scale of salary reductions working out at an average reduction, say, of ten per cent.

In this connection it is to be noted that last year when the Australian Government, determined, if possible, to secure substantial

reductions in the expenditure of the League and its associated organizations, it took the matter up with the Canadian Government and requested Canadian support. It also enlisted the support of His Majesty's Governments in the United Kingdom and in New Zealand to the same end. In view of their experience last year it might be desirable to discuss the whole question of possible reductions in expenditure with the Australian and other Commonwealth representatives on the Fourth Committee as a preliminary to any action that may seem possible.

It is to be noted, however, that a frontal attack on salaries, as has been found in earlier Assemblies, does not command general support and is always a more or less invidious task. Moreover, the forcing of scales of remuneration at Geneva to lower levels would undoubtedly tend to give Europeans a monopoly of the League posts.

Alternatively, it would be almost equally difficult, less effective, and more damaging to League efficiency, to impose a drastic reduction in personnel. The representative of the British Treasury, who made a thorough investigation into this problem two years ago, reached the conclusion that appreciable reductions

could be obtained only by persuading the Secretariat itself that it should proceed to an internal re-organization and that it was almost impossible for outsiders to effect reductions in a reasonable manner. He did not think it would be possible to impose such changes arbitrarily from outside. As already pointed out, and partly as a result of his efforts, the League Secretariat has been reduced from 698 posts to 630. Moreover, there is a further difficulty which cannot be overlooked in an international organization of the scope and character of the League Secretariat. The balance between the various nationalities is a delicate one and, as in national Civil Services in countries with two or more races, the conflicts, recriminations and disputes arising from what would be held to be discrimination or unequal sacrifices would largely tend to balance any financial economy that might be achieved.

A further point to be noted is that the staff of the Pensions Fund, of the Branch Offices of the Secretariat in London, Paris, Washington, Tokyo, etc., and the personnel of the Health Section are paid, not out of the revenues contributed by member states, but by contributions from *the Rockefeller Foundation*
~~Edwin D. Rockefeller, Jr.~~

With respect to the other possible method of effecting further economies, namely, curtailing activities of the League, it seems clear that it would be contrary to the whole trend of Canadian policy since the League was established to put forward proposals that would have the effect of crippling the League in its essential activities. Yet it is difficult to single out any activity as one which might be dispensed with without loss. The auxiliary organs which have grown up around the League, such as the Institute for Intellectual Co-operation and the International Museums Office, at Paris, or the International Educational Cinematographic Institute, at Rome, sometimes suggest themselves in this connection. The work of these organizations appears to be of less direct and less immediate value than that of the more integral parts of the League organization. But they were originally established and are still endowed by the French and Italian Governments, respectively, which are very sensitive about any move to weaken their standing or undermine their position. In any case the amounts they receive from the League are not substantial.

The curtailment of printing, of documentation and similar services appears, with the provision for some further reductions, to have been

carried as far as is practicable without seriously inconveniencing the work of the League.

The International Labour Office, under the dynamic leadership, over more than a decade of prosperous times, ~~and~~ of the late Albert Thomas, built up an elaborate organization, which, it can scarcely be doubted, greatly exceeds the general expectation when the Office was created under part XIII of the Treaty of Versailles and similar provisions of the Treaties of St. Germain, Trianon and Neuilly. It now accounts for nearly a third of the total expenditure of the League. This top-heavy structure has been recognized in recent years and following strong pressure in the Assembly of 1932 and earlier Assemblies the Governing Body adopted on June 6th, 1933, a new establishment reducing the number of sections from 18 to 11 and making corresponding reductions in the Principal Officers. The re-organization has already resulted in a saving of 200,000 Swiss francs per annum and is expected, when fully applied, to result in a saving of 362,000 Swiss francs per annum. In spite of this effort at economy, however, there can be little doubt that the International Labour Office still offers a better field for economies than does the League of Nations Secretariat. This fact has been in part recognized by the Supervisory Commission,

or at least by some of its members who have ventured to point out that in their opinion the expenditure on staff still bears too great a proportion to the total expenditure.

The Department of Labour, under which our relations with the International Labour Organization directly come, was asked to indicate any services coming under the Budget of the International Labour Organization which, in their opinion, might be curtailed without causing serious hardship or eliminating any really vital service. No reply has yet been received but Dr. Riddell, the Canadian Advisory Officer accredited to the League of Nations, is thoroughly familiar with the International Labour Organization and will be able to furnish information on any aspect of its work and organization.

Possible Minor Savings

If the Assembly should decide not to renew the term of office of the Commission of Enquiry for European Union it would be possible to strike from the Budget 137,125 gold francs and, in so far as Canada is concerned at any rate, there would be no great loss. Another possible opportunity to curtail expenditure might be found in the League contributions to the Pensions Fund which are at present on the rather generous scale of nine per cent of the flat-rate salaries of the members of the Fund.

12. Report of the Supervisory Commission

The whole question of further economies is analysed in detail by the Supervisory Commission and their suggestions, which, however, do not include any proposals for drastic reductions, are set forth in their Reports included in the documentation accompanying the delegation. The delegate assigned to the Fourth or Finance Committee of the Assembly should be thoroughly conversant with the Commission's Reports. The following brief outline may suffice for the information of other delegates.

The Commission questions the wisdom of calling two Labour Conferences in 1935 as provided for in the Budget.

It expresses misgivings respecting the credit entered for the first time in the Budget of the International Labour Office to develop relations with extra-European countries.

It recommends amalgamation of premises and staff in the Branch Offices abroad of the Secretariat and the International Labour Office.

It calls attention to the reduction in the staff of the League Secretariat by 49 posts, expresses the view that the expenditure on the

staff of the International Labour Office represents too high a percentage of the whole expenditure and calls for the more rapid adoption of the model establishment submitted to the last Assembly, which has already been outlined.

It recommends the continued application of the rule adopted in 1932 deducting 10 per cent from the salaries of new members of the Secretariat.

It concurs in a reduction of subsistence allowances payable in respect of duties performed abroad.

It points to the reductions achieved in the cost of printing and to the reduction in the number of publications issued.

It recommends that the Secretariat's available surplus from 1933, amounting to 1,197,908.79 gold francs, should be allocated to a fund to cover losses on exchange.

In connection with the duty of the Commission to report to the Assembly on certain questions relating to the rationalization and concentration of the services of the Secretariat and the International Labour Office which could not be dealt with in the reports submitted to the last Assembly, it may be noted that in pursuance of a decision of the last Assembly and in furtherance of its work on the re-organization of the League

Secretariat and the Staff of the International Labour Office referred to under item 11, the Supervisory Commission has devised a system which will result in grading in accordance with the value of the official and his efficiency. Under the system contemplated, Members of Section will be classified in three grades. For all three grades there will be automatic promotion within the grade. Promotion from the first grade to the second will not be automatic, but on proficiency report. The third grade will consist of a fixed establishment limited in advance in the Budget, and these posts will only be occupied with the promotion they involve, when a vacancy occurs. The Commission proposes to entrust the working out of the principles outlined above to the heads of the three League Organizations, who will study also the rules regarding recruitment and probation. As soon as it has received the joint proposals of the Secretary-General, the Director of the Labour Office, and the Registrar of the Permanent Court, the Commission will consider them and will submit its conclusions to the Assembly at its 1935 session.

13. Contributions in Arrears

The difficulties experienced by the League in collecting the contributions due it under the Covenant has developed into a major problem on which definite action will have to be taken at the forthcoming Assembly for it can scarcely be longer evaded or further postponed.

The subject was discussed at the Assembly of 1932 and an appeal was issued to the states in arrears to pay up their contributions in arrears without delay. Confronted by a more serious financial situation and by increasing arrears last year's Assembly subjected the whole question to a frank discussion in which it was pointed out that the situation could not be allowed to continue as the partial or complete default of certain states indirectly added to the burden of others. It was made clear also that irritation was growing, particularly in the Parliaments of the States which pay their contributions promptly.

The Sub-Committee, instructed to consider the question, invited the representatives of the States in arrears to appear before it. The principal reasons put forward by the delegates for the non-payment of the contributions were:-

(1) The impression that the amount of contributions demanded is too high and that the scale of allocations adopted by the 1925 Assembly no longer applies to the present situation.

(2) The economic crisis and the exchange problems which cause great difficulty in the transmission of foreign remittances.

The Sub-Committee submitted the following recommendations which were approved by the Fourth Committee:-

(1) Changes might usefully be made in Article 21 of the Regulations for the Financial Administration of the League so as to authorize the Secretary-General, when States have signified their agreement, to draw negotiable bills on them, on specified dates, through the central banks or other banks named by the States concerned. It might also be understood that those States Members who so preferred might, when notifying the dates of payment of their contributions, send the Secretary-General treasury bills, also negotiable on the dates of payment selected.

The measure proposed would afford further facilities both to the States Members and to the League - for the States Members, to be able to spread their payments over the year in such a way as to correspond with the dates of their budget periods - and for the League of Nations, to make available for the Secretary-General the amount of these instalments paid at dates corresponding to the requirements of the League's own financial year.

(2) Under the terms of the Financial Regulations, a surplus obtained at the end of a financial year shall be used to effect a corresponding reduction of the sum to be collected from States for the second year following.

The Sub-Committee suggested that it was not equitable to distribute the benefits of a surplus among those Member States which had not contributed to it and therefore recommended that the Supervisory Commission should be invited to propose to the Fifteenth Assembly suitable amendments to the Financial Regulations.

(3) The Sub-Committee recommended that Member States should regularly include in their budgets the provision necessary to pay their contributions to the League.

(4) The Sub-Committee believed that Member States which regularly pay their contributions can do much to improve the present situation of contributions by means of friendly representations.

The Fourth Committee took the view that the question of the collection of current contributions was even more urgent than that of payments in arrears and that if all the States Members would agree to make it a primary duty to continue contributing towards the expenses of the League, the question of contributions in arrears would eventually cease to occupy the attention of the Assembly.

Present Amount in Arrears

The amount of contributions in arrears has increased by some 6,000,000 francs, and is now nearly 30,000,000 francs.

Over 32% of the arrears is due by China to the end of 1930 and she has undertaken to pay these arrears in equal proportions over 20 years. She has, so far, paid regularly.

Argentine owes about 13% of the arrears; she has paid her 1933 contribution and will now pay regularly in the future, but there is some legal doubt as to her liability for the four years 1929-32, when she did not participate in the League's work. This sum is probably irrecoverable.

32% of the arrears is due by Latin American States; much of it has accumulated during the last few years, one of the causes being the heavy depreciation of currencies.

The balance is due for the period of financial stringency (1931-1933) by ordinarily good payers, ~~and is recoverable~~ and is recoverable.

The Treasurer of the League of Nations estimates that over 50% of the arrears is recoverable, which would mean that the total of irrecoverable arrears is not more than 3.75% of the contributions payable during the 15 years of the League's existence.

The Supervisory Commission points out that the expression "a State in arrears" does not appear ever to have been defined. The Assembly may wish to clear up this point and to obtain an authoritative expression of opinion as to the length of time a Member of the League must have been in default for it to be considered as not having satisfied its financial obligations. The Assembly may also desire to consult the committee which it sets up to deal with legal questions as to the constitutional measures that may be taken to limit the privileges of States which do not regularly pay their contributions.

As a method for putting pressure upon defaulting Member States, the Supervisory Commission recommends that a budget of receipts be submitted along with the budget of proposed expenditure.

Canada continues to maintain its payments promptly and has already paid up one-half of its allotted contribution for the current year.

14. Report of the Administrative Board of the Staff Pensions Fund

By Resolution of the 11th Assembly a Pensions Fund was set up for the officials of the Secretariat, the International Labour Office, and the Registry of the Permanent Court of International Justice.

The Pensions Fund is composed of :

- (a) Assets to be transferred from the Staff Provident Fund.
- (b) Contributions of officials.
- (c) Contributions from the League Budget.
- (d) Interest earned by investment of the Fund.

The contributions payable by officials are :

Officials of the First Division, $6\frac{1}{2}$ percent of their emoluments; others, 5 per cent of their emoluments.

The contribution of the League is 9 per cent of the flat-rate salaries of the members of the fund.

(For details of contributions, see Articles 3-7 of Staff Pensions Regulations (A., 25.I.1930.X).)

Benefits are allowable to officials in respect of :

- (a) Retiring Pensions.
- (b) Invalidity Pensions.
- (c) Pensions in case of death.

The execution of the Staff Pensions Regulations is effected by an Administrative Board which reports to the Assembly. This is ordinarily regarded as a more or less routine procedure.

15. Report of the Committee on the Allocation of Expenses.

The Covenant originally stipulated (Article 6) that the expenses should be borne by States Members on the basis of the Universal Postal Union system, but experience soon proved that this basis, which operated satisfactorily within the limits of a very restricted budget, was unsuitable for League purposes, and after a series of investigations by an Expert Committee and discussions in the earlier Assemblies, the Covenant was in 1924 amended to read as follows:-

"The expenses of the League shall be borne by the Members of the League in the proportion decided upon by the Assembly."

The Sixth Assembly (1925), after several years of careful investigation, adopted an improved system of allocation of expenses which is still in force. It is based on units which take into consideration such factors as public revenue, population, trade, agricultural and industrial production, area, etc., of the various members, and which varies according to the number of members of the League and the amount of the budget. The present unit is 33,016.43 gold francs. The scale of assessment is as follows:-

	<u>Units</u>		<u>Units</u>
Abyssinia	2	Irish Free State	10
Albania	1	Italy	60
Argentine	29	Japan	60
Australia	27	Latvia	3
Austria	8	Liberia	1
Belgium	18	Lithuania	4
Bolivia	4	Luxemburg	1
British Empire (United Kingdom)	105	Netherlands	23
Bulgaria	5	New Zealand	10
Canada	35	Nicaragua	1
Chile	14	Norway	9
China	46	Panama	1
Colombia	6	Paraguay	1
Cuba	9	Persia	5
Czechoslovakia	29	Peru	9
Denmark	12	Poland	32
Dominican Republic	1	Portugal	6
Estonia	3	Roumania	22
Finland	10	Salvador	1
France	79	Siam	9
Germany	79	Spain	40
Greece	7	South Africa	15
Guatemala	1	Sweden	18
Haiti	1	Switzerland	17
Honduras	1	Uruguay	7
Hungary	8	Venezuela	5
India	56	Yugoslavia	20

Canada, it will be noted, is assessed at the rate of 35 units, and for the financial year 1935 on the basis of the draft budget is responsible for a contribution of 1,120,619.90 gold francs. For the current financial period Canada is liable for 1,065,126.55 gold francs.

At its January Session, the Allocation Committee discussed proposals put forward at the preceding Assembly, according to which the scale of allocation should be based principally upon the budgets of national defence services or on those of National Defence and Foreign Affairs. After consideration of the results obtained from the application of these proposals, the Committee reached the conclusion that they were not able to recommend their adoption.

At its Session in May, an analysis by the Secretariat of the available statistics was submitted to the Committee. They proved unfortunately on examination, however, only to confirm the general belief of the Committee that the economic conditions in the world to-day were such as to preclude the possibility of drawing up a revised scale which would not be open on technical grounds to most serious criticism. In its opinion, the relative positions of different countries have changed rapidly in recent years

and continue to change. A modification made in the scale to-day in favour of any particular country might no longer be justified when the scale would be put into force; and, furthermore, it must not be overlooked that a reduction in favour of one country must be made at the expense of others. For these reasons, the Committee has refrained from making any recommendations with reference to the communications it received from certain States urging that their allocation should be reduced.

The Problem of Revising the Scale
of Allocation

Quite obviously it is impossible to share the expenses of the League, including the Independent Labour Organization and the Permanent Court of International Justice, in exact proportion either to the financial strength of the various members or to the direct benefits they are likely to derive from the League and its auxiliary organizations. A similar limitation applies, of course, to every form of international co-operation.

It would be difficult to get a fairer practical basis for the allocation of expenses than that presently in force, which was adopted in 1925 after some four years' exhaustive study of the problem and after it had been in force

tentatively for a couple of years. It takes into consideration a number of factors including budgetary expenditure, agricultural and mineral production, industrial development, population and international trade, and is much fairer to Canada than the original scale of allocation which was based on the contributions to the Universal Postal Union. Canada's proportion of the total expenses under the present system is 3.45% as against 6.3% under the previous arrangement.

It would be difficult to demonstrate that Canada's share of the League expenditure is excessive. Canada is, on various indices, rated as one of the world's eight chief industrial countries and as such is accorded permanent representation on the Governing Body of the International Labour Office. Canada stands fifth among the countries of the world in the value of her export trade. Nor are there any special grounds such as bankruptcy or political disturbance on which Canada could claim impoverishment and therefore some special leniency. Moreover, the matter is connected to some extent with national prestige. Canada is no longer an insignificant nation. Even if it could be done without upsetting the general basis of contributions, it is doubtful if Canadian opinion would approve of an effort to reduce the Canadian contribution to the level of the small or backward countries which would be necessary if any appreciable amount is to be saved.

Could Canada's Share be Reduced?

It may be noted that Canada pays more than Poland, a country three times as populous, and considerably more than Belgium, Holland or Czechoslovakia. Moreover, Canada contributes about 33 percent of the dues paid by the United Kingdom, 45 per cent of the dues paid by France and 58 per cent of the dues paid by Italy. We have not been able to find a complete and precise statement of all the factors on which the present scale of contributions is based and there appears to be some slight difficulty in doing so though it is evident, from a Report of the Fourth Committee to the Sixth Assembly, 1925, that two factors in particular are included in which Canada ranks relatively high, namely, (1) the production of cereals and minerals and (2) international trade.

Dr. Riddell, with whom we communicated on the subject in May last, reports that he discussed the general question of revising the present scale with Mr. Jacklin, the League Treasurer, and with Mr. Loveday, the Director of the Financial Section and the Economic Intelligence Service. Mr. Jacklin was primarily interested in collections and disbursements but Loveday's interest in the scale is largely scientific and his Section has been responsible for compiling the statistical

material which the Committee had before it when considering the revision of the present scale. Mr. Loveday stated that he advised the Committee against using his statistics, as he considered it practically impossible, in view of the fluid economic and financial position of the various countries, to provide a picture that would be correct at the time that the scale is altered. He considered it better to leave the present "Baranc" alone, even with its undoubted unfairness, rather than create another which would be bound to be just as unfair.

Mr. Loveday believed that the two countries which ought to pay more are France and Germany, but in view of the fact that Germany has given notice of her withdrawal from the League, it is politically impossible to increase her contribution. It is therefore considered that it would be unwise at the present time to increase France's contribution. Chile, Peru and Mexico, he considered, are over-taxed, especially Chile, whose main export industry, nitrates, has been practically wiped out. He believed that some redress might be given to certain countries, including these three, by getting the Assembly to consent to allowing the Committee to re-allocate 30 units.

Mr. Jacklin, on the other hand, did not think that this would be a solution as it would only mean that certain other States would have to pay more. He recalled that many of the States complaining of their high assessment, including Chile and Uruguay, have not paid their contributions for years.

Mr. Jacklin considered that the best way for Members which pay their contributions promptly to get a reduction of their contributions would be through working out some scheme which would assure a larger proportion of the arrears being paid. He believes that in this way it might be possible to collect 10,000,000 ~~francs~~ over a period of five years, thus reducing the contributions of paying Members by a like sum.

Mr. Jacklin was of the opinion that probably, in comparison with France and the United Kingdom, Canada is paying too much. Loveday, on the other hand stated he had been surprised to find, on going into the matter very carefully, that the British Dominions are under rather than over-assessed. In response to Dr. Riddell's request for his personal

opinion as regards Canada, he stated confidentially that, while it was impossible to form any definite opinion in view of the abnormal and rapidly changing world situation, were he to hazard a guess it would be that any committee compelled to draw up a new scale to-day on such evidence as exists would be strongly inclined to advise raising the present Canadian contribution.

Technical Work of the League

The Assembly, through its appropriate committees, will review, in a general way, the results achieved during the year by the technical organizations - The Economic and Financial Organization, The Organization for Communications and Transit, and The Health Organization - which have been created by the Assembly in order to facilitate the task of the Assembly and of the Council in dealing with technical matters and to assist members of the League to fulfil their international duties by establishing direct contact between their technical representatives in the various spheres. From time to time delegations desire to bring forward some project for study though in view of the present financial limitations it seems probable that little new work will be attempted this year.

The work of the various technical organizations is well summarized in the attached Report of the Secretary-General on the work of the League since the 14th Session of the Assembly, pages 52 to 100, and need not be described here except very briefly in connection with matters of direct concern to Canada.

16. Economic and Financial Work

The Economic Committee, which was created in 1927 to study international economic problems and make representations to the Council, consists of fifteen members, of different nationality, appointed

by the Council for a period of three years in their individual capacity as experts in economic matters especially in international economic matters. The Committee meets at Geneva and controls its own procedure.

Canada is not represented on the Committee though the Canadian Government was approached in 1930 and again in 1933 with a view to the appointment of a Canadian. The tasks undertaken by the Committee were not considered of great practical concern to Canada. Moreover, the expenditure involved and the difficulty of suggesting a Canadian, particularly a Government official resident in Canada who would be available to attend meetings two or three times a year at Geneva, were factors which made acceptance of representation difficult.

In September, 1933, the Fourteenth Assembly expressed the hope that, as the problems now before the Committee are gradually being solved, it might prove possible for it to deal also with problems of a more general order, including such as would be of direct concern to overseas as well as to European countries, and that the Council, both in the questions it refers to the Committee and in the determination of its composition, would have in mind this consideration. The Council, in January, 1934, came to the conclusion that before taking any decision on this matter, it should be guided by the nature of the

work which the Financial Committee may be called upon to undertake during the next three years, at the end of which period the Council would be in a better position to decide upon the most appropriate procedure to be adopted. Meanwhile, the Council decided, in order to facilitate the presence of overseas members on the Committee, that in the case of overseas members of the Committee not domiciled in Europe, the Council would appoint substitute members of the same nationality who would act for and on behalf of the full members in their absence.

It is interesting to note in the Committee's study of the evolution of commercial policy since the crisis the following comments on the Ottawa Agreements:

"The essential purpose of the Ottawa Agreements was to increase the mutual purchase by the United Kingdom and the Dominions respectively of products hitherto largely supplied to the various members of the British Commonwealth by countries outside the latter. The aim was accordingly to give an impetus to inter-imperial trade by the reciprocal granting of preferential tariffs. The United Kingdom also undertook to control, by means of quotas, the importation of certain products (bacon, ham, etc.). These Agreements have borne fruit. If the inter-imperial trade for 1933 is compared with that of 1932, it will be found that imports from the Dominions into Great Britain increased by 10 millions sterling; British exports to the Dominions also increased, though to a lesser degree (3 millions sterling). It should, however, be added that Great Britain's agricultural policy and recent schemes for the rationing of dairy produce have aroused the keenest apprehension in the Dominions, particularly in New Zealand and Australia. While it is recognised that there are social reasons for protecting certain branches of British agricultural production, even at an economic loss, and that Great Britain's agriculture is entitled to first place on the

home market, fears have been expressed that the impetus towards anti-economic production in England may be as prejudicial to imperial co-operation as the unrestricted expansion of secondary industries in the Dominions. There is a demand for the creation of a permanent body to ensure economic co-operation within the Commonwealth, and just as at Ottawa principles were laid down for industrial development in the Dominions, so, it is argued, similar principles should be fixed for agricultural development in Great Britain."

The following recognition of the special character of the intra-Commonwealth preferences may also be noted in the same study:

"In the case of the Ottawa Agreements the preferential tariffs instituted between members of the same community - the British Commonwealth of Nations - are a purely domestic affair; they cannot, therefore, be claimed by any other State under the most-favoured-nation clause."

II. Unification of Customs Nomenclature

The Canadian Government has not yet replied to the questionnaire on the subject sent by the Secretary-General in November, 1932. The matter is still receiving the attention of the Department of Finance, the Department of National Revenue and the Dominion Bureau of Statistics, but they are not yet in a position to submit their views to the League upon the subject. This will be done, however, as soon as a complete study has been made.

Convention for the Regulation of Whaling

This Convention was signed at Geneva on March 31st, 1932, by Canada, but has not yet been ratified. It is anticipated that the Convention will be submitted to Parliament for approval during the next session and subsequently ratified. The Department of Fisheries is desirous that this should be done. Despite the fact that the Convention has not yet been ratified, the whaling industry in Canadian territory and on Canadian vessels is being controlled in accordance with the provisions of the Convention. The information provided for under Articles 10, 11 and 12 of the Treaty was supplied by the Department of Fisheries and duly forwarded to the Canadian Advisory Officer on March 13th, 1934.

The United Kingdom Government have informed the Canadian Government that they will bring the question of the pollution of navigable waters before the 1934 Assembly in the hope that the matter will be referred to a suitable body which will include representatives of all the chief maritime powers, and have expressed the hope that the Government of Canada will co-operate with His Majesty's Government in the United Kingdom in their efforts to find a remedy for this evil.

Traffic in Opium and Other Dangerous Drugs

Canada, being signatory to the International Conventions of 1912, 1925 and 1931, in addition to being a member of the Opium Advisory Committee, is in very close touch with the League in relation to narcotic matters, and it may be interesting to outline the system of control which has been set up in collaboration with the League. Canada furnishes:-

(a) to the Opium Advisory Committee, full information with regard to, and opinions upon the numerous subjects raised by the League, ranging from the preparation of a new Convention to control the illicit traffic, to the inauguration of a system of serial numbering of all packages containing narcotics. We also render a complete annual report upon narcotic conditions, all of which subjects are subsequently discussed and acted upon at meetings of the said Committee.

(b) to the Permanent Central Opium Board, complete quarterly statistics in relation to Canada's imports and exports of the various narcotics.

(c) to the Supervisory Body, detailed annual estimates of Canada's narcotic needs in relation to each of the many drugs, both for legitimate medical and scientific purposes, and for the replenishment of stocks. These estimates are

accompanied by a full explanation as to the basis upon which they are prepared, including Canada's consumption of each narcotic drug in previous years. In return, each country is supplied, from time to time, by the Supervisory Body, with a list of those countries who have received full quantities for which they had estimated, with instructions to cease further exports to such countries during the current year.

Under the terms of the International Conventions all narcotics move from one country to another by means of the import and export license system. Canada, not being a narcotic manufacturing nation, imports all her requirements, and if, for example, Parke, Davis & Company make application to import 1000 ounces of Morphine from Germany, an import certificate is issued to them by the Department of Pensions and National Health, providing that it is satisfied that the quantity involved is required in Canada and does not involve our exceeding our estimates as furnished to the League. Even then the Morphine cannot leave Germany until that country has issued an export license, the issue of which must be subsequent to the receipt by the German authorities of a copy of the Canadian import certificate. Germany then sends to the Canadian Government a copy of the export permit, which is eventually

endorsed by the Canadian Customs, showing the quantity of narcotics actually arriving in Canada, and is subsequently returned to Germany by the Canadian Narcotic Service. In this way no country can receive narcotics without first giving permission, which permission must be within the limits of its estimates furnished to the League, and the whole transaction is completed within the knowledge of the two governments concerned.

In the case of Heroin, this drug must, in accordance with the Limitation Convention, be consigned to a Government Department, which, in the case of Canada, is the Department of Pensions and National Health, instead of direct to a narcotic wholesaler, the Department assuming responsibility for its subsequent distribution to the wholesaler. The practice in Canada is also for shipments of all narcotics, upon arrival in this country, to be handed over by the Customs at the port of entry to the R.C.M. Police, who, on behalf of the Narcotic Service, check same with the governmental licenses and the invoices, and then make delivery to the consignee. This is to prevent thefts or holdups in large cities, on account of the very high illicit value of many shipments if diverted from legal channels, as such illicit value is from ten to twenty times that of the commercial value of the narcotics concerned.

Largely as a result of the Limitation Convention of 1931 and the system of control of manufacture organized thereunder, the legal manufacture of Morphine throughout the world decreased from 30 tons in 1931 to 25½ tons in 1932, and in fact legal world manufacture of all narcotics in the latter year closely approximated world consumption. The illicit traffic is now very largely supplied from illicit manufacture elsewhere.

Comparative figures of (a) legitimate manufacture, and (b) legitimate exports of the three most important drugs are as follows:

(a) Legitimate Manufacture -

	Morphine Kg.	Heroin Kg.	Cocaine Kg.
1929	57792	3652	6434
1932	25656	1315	3973

(b) Legitimate Export -

1929	6056	851	2281
1932	1760	311	1416

The report of the Opium Advisory Committee in connection with its meetings in May 1934 will be submitted to the Assembly, under paragraph 20 of the Agenda, and is a document well worth study from the Canadian standpoint, as this country, not being a manufacturer of narcotics, receives either direct from abroad or via the United States not only all

its illicit supplies, but in some instances large quantities for illegal transmission to the United States. With that country we have a special narcotic treaty providing for close co-operation, exchange of information, extradition of narcotic offenders, etc., which is almost daily being given effect to. If Canada limited her activities in restricting the illicit traffic to the seizure of such narcotics as might be discovered by ordinary Customs procedure, the situation would immediately get out of hand, but, in common with certain other countries, notably the United States and Egypt, an endeavour is made to strike at the source of supply, and at the same time incarcerate the traffickers, whose activities are thus definitely terminated for considerable periods. Close and constant liaison is also maintained with the Narcotic Services of other countries.

A good illustration of this method and the necessity for international co-operation therein is the recent case of Harry Davis in Montreal, who was sentenced to fourteen years, ten lashes and \$3000, for participation, with others in Montreal, New York and Paris, in a conspiracy whereby huge quantities of narcotics were smuggled into Canada, for consumption in both this country

and the United States, by suborning certain Customs officers, obtaining Canadian passports by false pretences, etc. The quantity of narcotics involved was estimated at over 300 kilos, arriving in five shipments, which, at the trafficker's price of \$1.00 per grain, plus a conservative estimate of thirty per cent adulteration before eventual sale to addicts, meant that the addicts in North America eventually paid \$5,965,000. It was proved that \$183,000 had been despatched from Montreal and New York to Paris in payment, partial or otherwise, for these consignments. After a long investigation the conspirator in Paris was sentenced there, and later extradited to the United States, where he is now in penitentiary, while the New York participant has just been extradited to Canada and is awaiting trial.

From the Opium Advisory Committee's report it will be noted that the illicit narcotic situations in Bulgaria and the Far East are occasioning anxiety at the present time, and energetic steps are being taken in an endeavour to control them. Canada is very directly interested in both. Not only has Bulgaria been illicitly manufacturing Heroin in quantities sufficient for four times the legitimate medical needs of the world, but the principal purchaser thereof, now resident in

Bucharest, is the same man who supplied the narcotics to the conspirator in Paris, referred to above, for transmission to this continent, and there has during the present year been a succession of visits, on the part of illicit traffickers from the United States and some European countries, to Bucharest. The situation was exposed at a public meeting of the Opium Advisory Committee in May, which was attended, at the request of the League, by a representative of the Bulgarian Government. A definite assurance was then given, and subsequently confirmed by the Government itself, that immediate steps would be taken to suppress the illicit factories, the exact locations of ten of which, together with the names of the persons involved, were supplied to them.

In the Far East the situation is becoming increasingly serious from the North American standpoint. Until comparatively recently the illicit traffic westward on the Pacific Ocean was principally in relation to Opium, but there is a very rapidly increasing illicit manufacture, in China and Manchuria, of Morphine and Heroin, which has commenced to reach the North American continent. Much information has been supplied to the League with regard to the location of huge quantities of these drugs in China itself, and at the last

meeting of the Opium Advisory Committee the Canadian delegate, Colonel C.H.L. Sharman, stated as follows:-

"I feel that I must place before the Committee the situation in relation to the Far East as it appears to us in Canada. For a number of years past we have made an honest effort, involving heavy expenditures of money, to control narcotic trafficking on our Pacific Coast. This effort has been strongly supported by our Courts in imposing heavy sentences, and in fact a very large proportion of the prisoners in our penitentiary on the Pacific Coast are incarcerated on narcotic charges involving narcotics which undoubtedly, and in connection with much of which we definitely know, came from the Far East, not necessarily from one particular country: Yet, during 1933, we seized more Opium, more Morphine and more Heroin on our Pacific Coast than we had in 1932. The Canadian Government for that reason, and for others upon which I do not deem it advisable to dilate at the present Session, views the present situation, and particularly the future, with acute anxiety, and is anxious to impress that anxiety upon the Committee."

The United States representative also spoke strongly in the same sense.

It is felt that the report of the Opium Advisory Committee on this subject should be strongly supported, as there is a very real danger that the North American continent will shortly be the recipient of drugs illicitly manufactured in the Far East, not only in quantities sufficient for the illicit demand in Canada and the United States, but for export to Europe as well. Energetic efforts have been for some time past and are still being made, by the United States and Canada in conjunction, to avoid this contingency, and thus preclude the possibility of our being pilloried as a narcotic "sore spot" in the international illicit drug traffic.

The present production of Opium in China alone, which is the raw material for the manufacture of Morphine and Heroin, is estimated as being seven times that of the rest of the world. Recent information even accentuates the present gravity of the situation, which will also be intensified if, as expected, the Bulgarian authorities take drastic steps to close down the illicit factories known to be operating in that country, and thus leave the Far East as the obvious and remaining source of supply.

This concludes the list of subjects which have thus far been put forward for discussion at the forthcoming Assembly though it is possible that one or two additional subjects may be added at the request of particular governments. The Canadian Government has no question it desires to have added to the Agenda this year.

Some Observations on the General Situation

With the exception of the treatment of Minorities, and the collection of Contributions in Arrears, the questions on the Agenda this year are of a more or less routine nature and find their way to the Agenda year after year. Moreover, neither of those two questions can be regarded as new, though they will probably be accorded special emphasis this year.

Finding no place on the Agenda but helping, nevertheless, to form the general atmosphere in which discussions will be conducted and decisions reached, are such underlying developments as United States membership in the International Labour Organization, the probable accession of the U.S.S.R. to the Covenant, the unsuccessful efforts of the League to restore peace between Bolivia and Paraguay or to make any progress towards securing a settlement of the Sino-Japanese dispute, the undisguisable failure of the Disarmament Conference, the disposal of the Japanese Mandate, **the technical** collaboration of the League in China and the abdication of Parliamentary Democracy in favour of reactionary and militant dictatorship in Central and Eastern Europe.

The United States Membership in the
International Labour Organization

Perhaps the most hopeful development since the last meeting of the Assembly is the decision of the Government of the United States of America to accept as from August 20th, 1934, membership in the International Labour Organization, though it is subject to the understanding that "such acceptance involves only those rights and obligations provided for in the constitution of the organization and shall not involve any obligations under the Covenant of the League of Nations".

The accession of the United States can scarcely fail to have an important influence on the development of the Labour Organization, which it will be recalled, was set up in association with the League in 1919 to secure fair and humane conditions of labour and to study labour standards in the various parts of the world with a view to preventing the competition of countries with low-labour standards from dragging down the standards of the countries which have achieved relatively high standards. The action of the United States Government brings a powerful accession of strength to the International Labour Organization and indirectly to the League. For it can scarcely be doubted that, in spite of its reservation in

acceding, acceptance of membership in the International Labour Organization, ^{means} closer collaboration with the League.

Not the least gratifying feature of the development is the fact that it will bring much needed financial assistance to the League since the League and the International Labour Organization have, to some extent, a common Budget. In recent years the contribution of the United Kingdom to the International Labour Organization has been about 900,000 gold francs annually and it is assumed that a similar amount will be paid by the United States.

One question of some difficulty arises in connection with the matter - What seat on the Governing Body will be assigned to the United States? The reported refusal of Mexico to resign its seat in favour of the United States may lead to the suggestion being advanced that Canada should do so. Such a development, however, would require very careful study and need not be considered here.

In the speech which the senior Canadian Delegate will, in the ordinary course, be expected to make in the general Debate on the work of the League during the past year with which the Assembly opens, it might be desirable for Canada as the Member State which in the absence of the United States in the League is sometimes regarded as

expressing the viewpoint of North America on League Affairs, to express a cordial welcome of the entry of the United States into the International Labour Organization. Reference might also be made to the increased evidence of the willingness of the United States to co-operate in the solution of world problems.

It might be a fitting occasion, also, on which to allude to the motion of Senator McRae in the Canadian Senate in favour of Canada withdrawing from the League, which caused some concern at Geneva last winter, and to make a Declaration renewing Canada's faith in the principles of the Covenant and her determination to continue to support the ideals of the League.

The Question of Soviet Membership in
the League

A subject which, though not placed upon the Agenda, may be brought forward for consideration after the Assembly opens is the question of the admission of the Union of Soviet Socialist Republics to the League. Regarded by Lenin as a capitalist conspiracy to ensure the maintenance of the "status quo" and for years denounced as reactionary and ineffective by communist thinkers, the League is now being looked upon somewhat more

tolerantly by the Soviet Government and it seems probable that the danger, which can no longer be ignored, ^{of a} ~~that the~~ simultaneous attack on two sides - by Imperialistic Japan in the East and by the violently anti-marxist Germany in the West - may induce it to seek membership in the League and with membership such protection as the Covenant affords.

Under Article 1 of the Covenant any self-governing State, Dominion or Colony, may become a member of the League if its admission is agreed to by two-thirds of the Assembly, "provided that it shall give effective guarantees of its sincere intention to observe its international obligations and shall accept such regulations as may be prescribed by the League in regard to its military, naval and air forces and armaments." Following the precedent established in connection with the admission of Turkey in 1932 it is probable, however, that some state, perhaps France, especially desirous of Russian accession to the League, will propose her admission and it does not seem probable, if such a proposal is made, that it would fail to secure general consent.

The extent of danger of an out-break of war in the Far East between Russia and Japan, considered imminent by many, is difficult to estimate. It is generally believed that preparations are being rushed both in Japan and in Russia to meet such a conflict. Russian eagerness to guarantee the security of her Western Frontier is held by many to be prompted solely by the desire to enable her to exert her full military strength in the Far East. The reluctance of Japan to assume any obligations with regard to disarmament would seem to indicate that she contemplates something more than a struggle with China. Whatever doubts may remain as to the thoroughness and sincerity of Russia's desire to collaborate with the League among a mass of uncertainties due to so many imponderable elements, one thing appears to be certain - the admission of Russia to membership in the League would powerfully strengthen the cause of peace in the Far East.

Major Political Disputes

Three major political disputes have continued to disturb the peace of the world and thus far have baffled the continuous efforts of the League to effect a solution. The first of these in importance is the dispute between China and Japan over Manchuria. This dispute, which began in 1931, continued to receive the attention of the League during the past year.

On the 8th November, 1933, the Secretary-General communicated to the States concerned a summary of the replies received from Governments to the circular sent out from the Advisory Committee appointed by the Assembly concerning the non-recognition of "Manchukuo". The measures to which the Advisory Committee had drawn the attention of the Members of the League related to the participation of the present Government of "Manchukuo" in international conventions, postal services and stamps, non-recognition of currency of "Manchukuo", acceptance by foreigners of concessions or appointments in Manchuria, passports, the position of consuls and the application of the import and export certificate system under the Geneva Opium Convention of 1925 and the Limitation Convention of 1931.

To this list, the Government of the United Kingdom suggested that two other international Conventions, namely, that for the Safety of Life at Sea and the Load Line, should be added.

The Advisory Committee has held one session since the last Assembly, when it met on the 14th and 16th May to consider the request of the United Kingdom regarding the transit payments due in respect of mails sent through Manchuria. It declared that its recommendations concerning the non-recognition of the existing regime in Manchuria could not be considered as precluding the postal administrations of Members of the League from taking any temporary measures which, not being based upon an international convention, might seem to them advisable in order to permit, in present circumstances, of the forwarding of postal correspondence by an itinerary involving transit through Manchuria. Measures taken for this purpose involving the establishment of relations between them might be regarded as relations between one administration and another for the sole purpose of ensuring the proper conduct of technical services, and not as relations between one State and another or between one Government and another, and they did not imply that the Universal Postal Convention was applicable.

The Committee also considered the question raised by the Chinese delegate regarding consular certificates for the export of opium and other drugs into "Manchukuo" and decided to refer this question to the Opium Advisory Committee.

The Opium Advisory Committee expressed the opinion that from the technical standpoint a system of consular certificates does not provide the safeguards or the information which the system of import certificates, as laid down in the Geneva Convention of 1925 and extended by the Limitation Convention of 1931, is intended to secure. As regards the question whether import certificates should be issued or not, it did not venture an opinion, considering this to be a question within the competence of the Sino-Japanese Committee.

Dispute between Colombia and Peru

Negotiations between Colombia and Peru were opened at Rio de Janeiro on October 26, 1933, under the ~~chair~~ chairmanship of the Brazilian Foreign Minister. It will be recalled that the Council, in its report adopted on March 18, 1933, recommended that negotiations looking toward a satisfactory solution of the dispute between the two countries should be begun immediately the Peruvian forces had evacuated the territory in the Leticia Trapezium; and at the same time an Advisory Committee of the Council was appointed to watch and assist in bringing about a settlement. On May 25, with the agreement of the parties the League appointed a Commission which took charge of the disputed territory immediately upon its evacuation by the Peruvian forces. The negotiations between the two parties continued intermittently with varying success until April 12, 1934, when the Advisory Committee of the Council was informed that negotiations for a settlement had taken a more favourable turn. Progress was rapid and on May 19 the President of the Conference at Rio de Janeiro informed the Advisory Committee that a complete and final agreement had been reached by the two parties, and that a protocol and general convention had been framed and confirmed by the parties constituting the juridical Frontier Statute between the territories.

Dispute between Bolivia and Paraguay

At the request of the Governments of Bolivia and Paraguay, the Council, on August 3, 1933, although arrangements had already been made for the departure of the Commission set up by the Council by its decision of July 3, 1933, decided to ask the Governments of Argentine, Brazil, Chile and Peru whether they would undertake to suggest to the two countries a plan for the settlement of the dispute.

After the four Governments had consulted with the Representatives of the parties to the dispute, they notified the Council on October 1, 1933, that, to their great regret, they could not accept this invitation.

In view of this decision of the four Governments the Commission proceeded to South America, where it consulted with the Representatives of the parties to the dispute, and also visited the disputed territory.

On the proposal of Paraguay an armistice was arranged on December 19th and negotiations opened at Montevideo. The armistice, which was to continue until December 31, at the urgent request of the chairman was prolonged until January 6, 1934. In spite of the efforts of the Commission to bring about a settlement, however, it was found impossible to obtain an agreement.

The Council decided on January 20, 1934, to ask the Commission to continue its work. As the two parties had not been ready to make sufficient concessions to arrive at a settlement, the Commission considered it best to draw up a draft treaty for submission to the Governments of Bolivia and Paraguay outlining the provisions which it felt constituted a fair and just settlement of the dispute. Since, however, the two parties refused to accept this draft treaty, the Commission returned to Geneva to prepare its report, which was submitted to the Council on May 11.

This report pointed out that the countries had become more and more irreconcilable since the fighting began in 1927; so that now Paraguay was not prepared to negotiate a settlement of the substantive question as long as hostilities continued, while Bolivia insisted that a final agreement must ensure such a settlement. Hostilities had developed into trench warfare on an extensive scale with modern material of every kind. The arms and munitions were not manufactured locally but supplied to the belligerents by American and European countries.

The report concluded by pointing out that it did not think it expedient to enquire into the responsibility for the war, nor the responsibility

for the failure of the efforts at conciliation of the neutrals at Washington or adjacent States or even the Commission itself. It pointed out that the essential thing is to make peace, and that one of the main obstacles to the settlement of the conflict is the atmosphere created by the prolonged quarrel. Paraguay maintains that the total defeat of Bolivia is only a question of time; as for Bolivia, she seems to think that Paraguay, realizing that she has placed exaggerated confidence in her military strength, will yet accept a legal arbitration of the whole territorial dispute, which she has insisted on postponing until the final cessation of hostilities.

The Commission is of the opinion that the conflict may have no definite military issue, but has so far produced one result; suffering and impoverishment for both peoples. The struggle in the Chaco, it states, is a singularly pitiless and horrible one. The Commission urges, the necessity of combined action by all the forces of peace; it considers that interventions from many quarters should come to an end, and that the League of Nations should be looked to as the final authority. An honourable solution has been proposed which the two parties should examine afresh, in order to ascertain whether it does not, to a large extent, satisfy their real needs.

The Commission further points out that the neighbouring countries, more especially if the belligerents continue to refuse to accept an honourable and just settlement, should accept a strict control over the transit traffic as a complement to the control which other nations should exercise over their export of arms.

Following up this suggestion, Mr. Eden, the representative of the Government of the United Kingdom, asked the Council to secure without delay the imposition by its Members of an embargo on the export of all arms and munitions to the belligerents. This proposal was accepted, and was adopted by the Council on May 18.

During the discussion of the question in the Council, the delegate of Paraguay raised serious objections on the ground that it would make possible the re-armament of Bolivia; while Paraguay would have to reduce her forces. Since then, intense fighting has been going on, both sides claiming victories. On July 11 Bolivia requested the Council to refer the Grand Chaco Dispute to the Assembly under Article 15 of the Covenant. Up to July 24, the embargo had been put into operation by the following countries: United Kingdom, Australia, Denmark, Argentine, United States, U.S.S.R., Sweden, Austria, Brazil, Latvia, Switzerland, Dominican Republic, France, Spain and Italy. The Canadian Government notified the League that it is prepared to institute an embargo, and passed the necessary Order-in-Council on July 30th.

Disposal of the Japanese Mandate

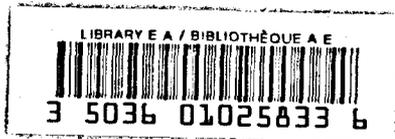
The Canadian Legation in Tokyo reports that it is understood the Japanese Report on its Mandatory Administration, which, under the rules of the League, is due on the 1st of September next, will set forth Japan's determination not to surrender her Mandated South Sea Islands merely because she is withdrawing from the League of Nations. Coupled with this decision is an assurance that she has undertaken no military development whatever in those territories. It is understood that the Consul-General of Japan at Geneva will be instructed to state that the administration of these territories was entrusted to Japan in accordance with Article 22 of the first chapter of the Peace Treaty between the Allies and Germany, and was not received from the League of Nations. Therefore, Japan's position is that notice of withdrawal from the League of Nations does not entail any intention to surrender the Mandated Islands. This will raise a nice question of legal interpretation and of political expediency and may come before the Sixth Committee though the disposition will doubtless be to avoid the necessity of making any decision on the principle involved.

Technical Co-operation of the
League of Nations

In view of the views expressed by the Japanese Government against foreign intervention in China and to its assumption of the role of protector, the work which the League of Nations has been carrying on in the fields of medical, engineering and economic advice to the Chinese Government in its work of rehabilitation, may encounter the active opposition of Japan. An account of the work of Dr. Rajchman, the League appointee, in China from October 1933 to April, 1934, will be found on pages 73 to 79 of the Report on the Work of the League since the Fourteenth Session of the Assembly, Part I, and the question may be raised as to whether this work should be continued. It is not, however, a question on which the Canadian Delegation can profitably reach a conclusion until the need of China and the position of Japan in the matter becomes more evident and there has been an opportunity for consultation with other Delegations at Geneva.

The following material, which it is thought may be helpful in the study of League problems and procedure, is enclosed, under separate cover, for the use of the delegation:-

- (1937)
ca.
- 1 "Rules of Procedure of the Assembly".
 - "Report on the Work of the League since the Fourteenth Session of the Assembly, Part I".
(Part II will be available on the arrival of the delegation at Geneva).
 - "League Financial Regulations" C3M3 1931 X.
 - 4 "Audited Accounts for the past financial year".
 - 4 "Proposed Budget for the next financial year".
 - 4 "First Report of the Supervisory Commission on the Audited Accounts and the Budget".
 - "Second Report of the Supervisory Commission".
 - ✓ "Report of the Canadian Delegates to the Assembly 1931, 1932 and 1933".
 - "Canada and the League of Nations" by Frederic H. Soward.
 - ✓ "Monthly Summary of the League of Nations" - issues for the past three months.
 - in order "Essential Facts about the League of Nations" published by the League Secretariat.
 - "Geneva, Seat of the League of Nations" (an illustrated guide book).
 - at date "The Society of Nations" by Felix Morley.
 - "Ten Years of World Co-operation" published by the League Secretariat.



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Agenda of the Fifteenth Ordinary
Session of the Assembly of the
League of Nations with notes on the
various items and some o
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