

Appendix 2 is entitled "Evolution of Commercial Policy since the Economic Crisis," and to this I invite your attention. At the same time I make special reference to the paragraph on page 2 reading,—

"With regard to the question of wheat, the Economic Committee requested the Secretariat, in consultation with the Secretariat of the Wheat Advisory Committee and the International Institute of Agriculture, to make a study of the consequences, in industrial countries, of increased agricultural protectionism and the effects of this policy in countries concerned mainly in agriculture."

Early in the debate the French delegate introduced a motion proposing that the technical organizations of the League be instructed to study questions connected with the practice of "Compensation" (Document A. II/9). As you are aware, the state of international trade is such that it has been necessary for many Governments to conclude agreements regulating payments resulting from the exchange of goods, providing for quotas of specific goods, &c. A list (in French) of such agreements, and a translation of the French delegates' speech (Document A. II/10) are enclosed. The motion formed the subject of considerable discussion, and amendments thereto were moved by the United Kingdom and other delegations. In the third paragraph of the French motion was implied the suggestion that Governments should stabilize a system which is regarded in many quarters as pernicious. The adversaries of the system no doubt hope that the result of the inquiry will be such as to justify every effort being made to return to a freer movement of trade. It was therefore desirable that no resolution containing more than the bare terms of reference should be passed. A conciliatory spirit prevailed, and ultimately a motion based on the British amendment was accepted.

The Secretariat, in conjunction with another organization, has been entrusted with the study of the consequences in industrial countries of increased agricultural protectionism and the effect of this policy in countries concerned mainly with agriculture. These are matters in which New Zealand is deeply interested. We may express the hope that at least there will emerge out of this study more information than that which we already possess. It may be that the Swiss representative, when dealing with this matter, felt that a few words of defence were necessary. With some passages of his speech I am inclined to agree. The Economic Committee is composed of experts, many of whom are in the service of their Governments. Is it possible for Civil servants or representatives of Governments completely to forget national policies when considering questions having an international aspect? After all, it is the Governments which compose the League. I doubt whether we can effectively combat the Swiss representative's opinion that it would be difficult for the Economic Committee, as at present constituted, to carry out such an inquiry when Governments are lacking in agreement on fundamental questions of economic policy.

With the documents relating to the Second Committee you will find one (E. 863) entitled "Most Favoured Nation Clause and Multilateral Treaties." It gives the text of an agreement to refrain from invoking the obligations of the most-favoured-nation clause in respect of certain multilateral conventions, an agreement incorporating a proposal made by the delegation of the United States to the Seventh International Conference of American States. This agreement was referred to more than once in the course of the Second Committee's debate, and it was stated at a meeting late in the session that the United States had recently signed it.

An account of the work of the Committee of Statistical Experts will be found in Documents C. 152, M. 63, and C. 672, M. 322.

FINANCE COMMITTEE.

I do not think there is any need to draw special attention to the work of the Finance Committee. It is dealt with in the Second Committee's report (Document A. 40), adopted by the Assembly on the 26th September, and to this, as well as to other documents mentioned above, I refer you.

HEALTH ORGANIZATION.

This year the Second Committee had before it only the material on health contained on pages 66 to 72 of the Secretary-General's report (Document A. 6). To this and to the admirable report of the Second Committee's Rapporteur (Document A. 39) I refer you. Much of the work of the Health Organization is highly technical. That it is excellently performed and meets a real need is proved by the praise which is always bestowed by members of the Second Committee.

In the course of the debate several speakers stressed the importance of nutrition, and expressed the hope that this subject would be more and more studied by the Health Organization. We learned that the South African Government had suggested that a second Conference, in continuation of that held in Cape Town in 1932, should be convened next year. The South African delegate hoped that it would be a pan-African Conference, whilst the Indian delegate said that such a conference would be of great interest in India. There were also several references to the effect of unemployment on health.

The Second Committee's report was presented to the Assembly at its meeting on the 26th September, and the Assembly adopted the resolution with which the report concludes.

COMMUNICATIONS AND TRANSIT.

Article 23 of the Covenant imposes on the League duties of a supervisory nature in several fields. One of the tasks of the League under this article is to "make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all members of the League."