

- “(d) To advise upon the fundamental principles of monetary and credit policy which might be applied in agricultural countries with a view to diminishing the influence of fluctuations in the balance of payments on the credit structure and the rate of exchange;
- “(e) To study and advise upon the principles on which fiscal legislation dealing with the main categories of taxes, such as income-tax, land-taxes, turnover-taxes, &c., should be based;
- “(f) To make a comparative study, in co-operation with the Health Organization of the League and the International Labour Office, of the physiological needs and of the consumption habits of different classes of the population in selected countries;
- “(g) To study the influence on the standard of living (i) of different classes of taxes in selected countries; and (ii), in co-operation with the Transit Organization, of transport and distribution costs.

“IV. The Assembly—

“Approves the proposals contained in the report of the Committee on the Structure and Functions of the Economic and Financial Organization and the appointment by the Council of the Co-ordination Committee mentioned in that report.”

Communications and transit was the other main subject dealt with in the Second Committee. It is a subject of more direct concern to continental countries, with their complex problems arising from constant traffic inter-communication, than to New Zealand. That we cannot be unconcerned, however, may be illustrated by recalling our interest in measures on an international scale to ensure uniformity in road and traffic signals, as well as in other proposals to lessen the perplexities and perils of travellers who cross national frontiers. Due regard to matters of this kind calls, of course, for more continuous and specialized attention than can be given by the League in its ordinary Committees of the Assembly. It requires a permanent organization, linked with the traffic-control authorities in the several countries. The function of the League in this regard is to supervise the work and to elect members of the Organization for Communications and Transit.

The records of the work of the Committee for Communications and Transit are printed as a League document, and call for no detailed notice here. I do no more than illustrate the varied scope of its work by extracting a few points from the chapter heads in the report: “Customs Exemption for Liquid Fuel used in Air Transit”; “International Exchange of Electric Power in Europe”; “Signals at Level Crossings”; “League Wireless Station”; “Passport Systems”; “Yellow River Floods” (China).

The Second Committee proposed, and the Assembly approved, a resolution appreciating the Communications and Transit Organization’s work.

The Second Committee also recommended that eighteen be the number of members of the Committee on Communications and Transit, inclusive of the four members allotted to the United Kingdom, France, Italy, and the Union of Soviet Socialist Republics as holders of permanent seats on the League Council, and that to the remaining fourteen seats the following should be elected for a period of three years: China, Hungary, Poland, and Spain (on their individual candidatures); Roumania (on behalf of the Little Entente); Estonia (on behalf of Estonia, Finland, Latvia, and Lithuania); Norway (on behalf of Denmark, Norway, and Sweden); Belgium and the Netherlands (on behalf of Belgium, Luxemburg, the Netherlands, and Switzerland—the “Rhine group”); Egypt (on behalf of Afghanistan, Egypt, Iraq, and Iran); Turkey (on behalf of the Balkan Entente); and Bolivia, Colombia, and Uruguay (on behalf of Latin America). These recommendations the Assembly approved.

Certain other questions—housing, nutrition, the forthcoming European Conference on Rural Life—were dealt with by the Second Committee and the Seventh Committee jointly; to these I shall refer presently under the heading of “Seventh Committee.”

THIRD (“DISARMAMENT”) COMMITTEE.

New Zealand Delegate: Mr. W. J. JORDAN. Substitutes: Mr. R. M. CAMPBELL; Mr. C. A. KNOWLES.

In using the common, though not strictly accurate, term “disarmament” to head the section of my report that deals with the work of Assembly’s Third Committee, I appreciate that one invites at once the retort that the pretence of doing anything of the kind under present conditions must have been altogether futile. And, indeed, well may it have seemed paradoxical for us in September, 1938, to discuss problems of “disarmament,” for seldom in recent years could the outlook for the ways of peaceful reason as against force and the threat of force, have been less promising than it was at just this time. Yet that is not the whole story. The proceedings of the Third Committee in 1938, granted that its immediate objectives were limited and modest, can stand any reasonable examination.