



LEAGUE OF NATIONS

Geneva,  
September 20th, 1923.

**ECONOMIC AND FINANCIAL COMMISSION**

---

**REPORTS AND DRAFT RESOLUTIONS**

PRESENTED BY THE  
**SECOND COMMITTEE.**

---

*Rapporteurs :*

M. FERNANDEZ Y MEDINA, Delegate for Uruguay.  
The Jonkheer VAN EYSINGA, Delegate for the Netherlands.

---

A. — REPORT ON THE WORK OF THE FINANCIAL COMMITTEE.

*Rapporteur :* M. FERNANDEZ Y MEDINA.

Since September 1922, the work of the Financial Committee has extended over a range of subjects a part of which is within the province of two of my colleagues on the Second Committee. M. Ador has already explained the part played in the reconstruction of *Austria* by the members of the Financial Committee, both in the preparation of protocols in September and October 1922, and in their capacity as the Provisional Delegation of the League of Nations, when they carried out the preliminary work at Vienna pending the Commissioner-General's arrival. M. van Eysinga, who will deal more particularly with questions affecting the Economic Committee, has detailed the results of the work undertaken by the Financial Committee on subjects which fell within the competence of both, such as our collaboration with the International Labour Office on the *unemployment problem*, and the *issue of publications* by the Economic and Financial Organisation. I need therefore deal only with the other branches of the Financial Committee's work.

As you are well aware, all this work is based on the general ideas put forward by the International Financial Conference at Brussels in 1920.

The duty of the Financial Committee — which, as you will find, it performs most admirably — is, as far as possible, to give practical effect to those ideas which are known throughout the world as the "*Brussels Resolutions*".

The publications of the Economic and Financial Section, to which M. van Eysinga will refer, have informed the public of what has been done in this direction.

As you know, however, the Financial Committee's activities are not confined to the compilation of statistical reports, however perfect. The memorandum on Public Finance, the memorandum on Currency, the memorandum on Central Banks of Issue, and the report on the principles laid down at Brussels undoubtedly constitute valuable material for investigation, but the Committee's chief ambition is to further the practical application of the principles of sound finance.

The work of which I have to speak to you as regards the year 1922-23 falls under two heads, general and special. Among the questions of general interest which came before its notice, the Committee, during the past year, without neglecting its enquiry into currency and exchange problems, which are of primary importance to it, has attempted to further a solution of these rious problem of *double taxation*.

For some years, the public has been feeling the evils of double taxation. From the point of view of equity, the taxpayers' interests suffer serious damage from the fantastic proportions of the rates of taxation applied to the same sources of income in two different countries, while, from the general economic point of view, there can be no doubt that the free circulation of capital is hampered by the absence of any international boundary-line for the operation of fiscal tariffs.

The Financial Committee of the League of Nations organised an investigation into the problem of double taxation, and asked two separate groups of experts to consider it.

The first group consisted of four eminent economists — M. Bruins, M. Einaudi, M. Seligman and Sir Josiah Stamp — who discussed the matter during the year 1922 and drew up a valuable report at a meeting held at Geneva in March 1923. This report was communicated to all the States Members of the League. It opens with a survey of the economic consequences of double taxation, which is followed by an examination of the general principles upon which every State bases its right to levy taxes. Emphasis is laid on the necessity of giving careful consideration, in any solution, to the varying economic conditions in different countries. Some countries are creditors, and other debtors, owing to the varying stages of their economic development.

The second group of experts consisted of the heads of the Revenue Department in seven European countries (Great Britain, France, Belgium, the Netherlands, Czechoslovakia, Italy and Switzerland), for a practical solution requires an examination of the problem from the point of view both of the administration and the Government. These senior officials held their first meeting at Geneva in June 1923. They considered the report of the four economists; they explained the peculiarities and traditions of their own fiscal systems, and discussed, from a practical and administrative point of view, the possibility of agreeing upon principles which would be acceptable to a large number of countries. It proved difficult to reconcile divergent economic interests, fiscal interests and legal systems. The delegates of the seven Governments have not yet, however, concluded their work. They have produced a preliminary report, dealing exhaustively with the question of scheduled and actual taxation, and laying down the principle that the assessed income should be divided up in proportion to the amount of business done by the taxpayer in each country. They have also begun an investigation into general income-tax and death duties, and this work will be continued in October.

Acting upon the principle of widespread appeal to all competent authorities, the Finance Committee has, in the matter of double taxation as in other matters, kept in close touch with the International Chamber of Commerce, which is also investigating this question. Any judgment on the ultimate result of the work of these various Committees and experts would be premature.

Next year it will be the duty of the Finance Committee, which will be in possession of all the necessary documentation by May, to recommend how the suggestions made by the experts should be put into practice — whether by proclamation of general principles sanctioned by the Fifth Assembly, recommendations to be made to the States, conventions concluded between certain groups of States, international conference on double taxation, or international agreements in the form of protocols open to signature.

Your Rapporteur considers it only fair to state that certain countries have already understood the necessity for remedying taxation abuses where international relations are concerned. For instance, Spain, in a quite recent law, has granted fiscal exemption on condition of reciprocity for profits obtained abroad to branches or representatives of Spanish enterprises. The Netherlands also has expressly provided for the conclusion of treaties on double taxation. Various countries in Central Europe have concluded international conventions which are at present in force. Finally, the importance of the Convention signed at Rome by the Succession States of the Austro-Hungarian Empire has been recognised by the Genoa Conference and the League of Nations.

With regard to *fiscal evasion*, the Finance Committee has appealed to the same Government experts who have been dealing with double taxation to find remedies for this evil, from which the budgets of all countries are suffering. The Committee has found itself in agreement with the Genoa Conference in thinking that it would be of advantage to combine these two problems, which are so closely connected. At their next meeting, the Government experts will devote special attention to it and will consider the possibilities of drawing up an international agreement in this matter.

Besides these general questions, the Finance Committee, as in preceding years, has been instructed by the Council to investigate a certain number of *special problems* concerning particular countries.

At the end of the year 1922, Greece was confronted with the formidable problem raised by the arrival in her territory of about one million refugees from Asia Minor. The situation presented great financial difficulties. As the Greek Government had not the necessary resources to provide for the establishment of these refugees, and as the relief organisations could not continue to meet very heavy expenses for an indefinite period, an appeal was addressed to the League of Nations, suggesting that this distressing financial problem should be solved by international co-operation. From the very beginning of the investigation of this problem, the Committee had been anxious for its solution by an international organisation which should aim, not at collecting large sums as temporary relief for the refugees — as, in all probability, these sums would exceed any loan obtainable on the international markets for an exclusively humanitarian purpose — but should attempt to encourage the refugees to settle permanently in the country; in other words, the Committee sought to promote a genuinely constructive scheme which, amongst other advantages, might result in attracting or in retaining the valuable help of the American organisations.

With this in view, a scheme for the establishment of refugees to which the Council had already devoted its attention was considered, and the Committee endeavoured, from a purely financial point of view, to give this scheme the best possible practical shape by co-operating in the drafting of the statutes of an International Settlement Commission. You are aware that the Bank of

England has already offered one million pounds sterling to the National Bank of Greece on condition that these funds be paid over to the Commission.

The Finance Committee has again given attention to the *Albanian question*. Last year, that State claimed the benefit of the application of a general Resolution of the Assembly concerning technical advisers, by requesting that a financial adviser be appointed, to be entrusted with the task of giving his opinion upon general questions of an economic and financial nature. The Finance Committee was instructed to seek a man capable of carrying out this delicate task. It submitted the name of M. J. D. Hunger, a Dutchman, to the Council, and this proposal was accepted. The Committee also drafted the clauses of a contract between the financial expert and the Albanian Government. M. Hunger took office in the month of June and, at the last meeting of the Finance Committee in September, he stated his views as to the future development of Albania, advocating, in agreement with the Albanian Government, the constitution of a Bank of Issue. The Finance Committee approved this step, and, at the request of M. Hunger, prepared, in co-operation with him, an organic draft law intended to serve as a basis for the statutes of the future bank.

That is a most interesting enterprise. A young country, having no note issue, is to have its first bank constituted and to see credit, until then practically unknown within its borders, established in the form which is usual in Western Europe.

The problems raised by the financial situation of the *Free City of Danzig* are of quite a different nature. In this case, it is not a question of a newly-formed State; Danzig, on the contrary, has reached a very advanced stage of economic, industrial and commercial development. For two reasons, however, its financial situation is difficult, the first being the heavy charges imposed on it by the Treaty of Versailles; the second, and the more important perhaps, is the collapse of the German mark, the only legal currency at present in circulation in the territory of the Free City.

In the first place, the Danzig Senate asked the Finance Committee to assist it in issuing a loan of 500,000 gold marks, to be used by it as working capital, for the Treasury was continually in difficulties owing to the depreciation of the mark. The Finance Committee asked the Council to approach the Conference of Ambassadors and the Reparation Commission with a view to persuading these bodies — which were creditors of Danzig — not to oppose the issue of the loan. As a result of the steps taken by the Council, the Conference of Ambassadors and the Reparation Commission both made statements which met the desires of the Finance Committee. In addition, the Free City of Danzig was granted a moratorium for one year.

But the monetary situation of Danzig has been growing more and more critical with the collapse of the German mark. In 1922, the Committee had already recommended the Senate to adopt some monetary unit other than the German mark. In July 1923, the Senate at last recognised the wisdom of this advice, and submitted for consideration of the Finance Committee a plan of reform based on the adoption of a new currency, which should have a definite relation to the pound sterling. The Committee discussed the question at length. It did not lose sight of the close legal and business relations existing between the Free City of Danzig and Poland. Under its auspices, negotiations of a semi-official character took place between the representatives of Danzig and of Poland. The Committee gave them its views upon the essential points of a monetary reform at the same time as it communicated them to the Council, and I am glad to inform you that these negotiations resulted in the signature of an agreement.

We sincerely hope that this agreement will lead to the establishment in the Free City of Danzig, and, later, in Poland itself, of a stable currency, one of the primary conditions for the development of a country.

\* \* \*

The statement which I have just made, together with those of M. Ador and M. van Eysinga, will, with the help of the documents which have been distributed to you, give you a comprehensive view of the activity of the Finance Committee during last year.

The President of the Council has, however, reminded us, in opening the Fourth Assembly, that the greatest of all problems within the economic and financial sphere has been outside the competence of the League, and has remained unsolved. He added that, while this great unsettled dispute weighs upon the economic life of Europe, the work of the League in every sphere of its activity must necessarily be limited. This is a statement of which the truth is specially appreciated by the Financial Committee. The application of the principles of the Brussels Conference finds in almost every case its greatest difficulty, sometimes an insuperable one, in the continued uncertainty as to reparation payments. While this uncertainty remains, the work of the Financial Committee must necessarily be both restricted and impeded. As soon as it is removed, this work will increase in range and in the fruitfulness of its results.

Meanwhile, the work done and in progress, even under the handicap of this great obstacle, for Albania, for Greece, for Danzig and, above all, for Austria at least gives some indication of what may be expected when this handicap is removed.

The League of Nations has now at its disposal a body of experts composed of the most competent men in the whole world. These men have examined a wide range of problems, the study of which, added to the knowledge of financial problems that they had acquired in their own countries, has given to their experience an international character that is of great service to them in the performance of their duties. Moreover, these men of different nationalities have been working together for some years, have learnt to know each other, and have formed relations that are highly useful in the delicate negotiations with which they are sometimes entrusted.

The future has doubtless heavy tasks in store for the Committee.

The recommendation of which this Report attempts to give a brief explanation will be found in Nos. 1 and 2 of the Resolutions which are being proposed to the Assembly to-day by the Second Committee.

## B. — REPORT ON THE WORK OF THE ECONOMIC COMMITTEE.

*Rapporteur* : Jonkheer VAN EYSINGA.

Since the meeting of the Third Assembly, the Economic Committee has been engaged in investigating a certain number of practical problems which are of special interest from the point of view of economic life. In certain cases these investigations have already resulted in preparatory measures designed to lead to definite solutions, which we hope will be adopted and approved by the 1924 Assembly. As regards a matter which is closely connected with international economic life, namely, the treatment of foreign nationals and undertakings, the Council of the League of Nations approved as early as last July a recommendation which was proposed by the Economic Committee and which has been communicated to the Members of the League.

I propose to deal in detail with each of these problems, whether they are still being investigated, whether they are approaching solution or whether a solution has already been arrived at.

But before entering upon the consideration of these matters, I should like to draw your attention to a wider investigation undertaken by the Economic Committee. You will remember that, last year, His Excellency M. Loefgren, the Swedish Delegate, reminded the Second Committee of the resolution which the General Conference on Labour adopted in 1921 with regard to the national and international aspects of the great problem of *unemployment*. The Resolution No. VI which the 1922 Assembly adopted in this connection resulted in an exchange of views between the Economic Committee and the International Labour Office. The conviction was felt on both sides that unemployment could only be attributed to the present economic crisis. In these circumstances the Economic Committee considered it advisable to undertake an *investigation into the main causes of this crisis*. I feel that we can but congratulate the Economic Committee on this decision, since it would seem to answer to a need to which the pressing anxiety engendered by the present state of the world has given rise. I cannot refrain from expressing the hope that the investigation undertaken by the Economic Committee into the various aspects of the present crisis will prove fruitful, not only as regards the problem of unemployment, but also as regards international economic life in general (Draft Resolution No. 9).

Turning to the various questions which were already on the agenda last year, I notice that the problems of *"dumping"* and *differential prices* are still under consideration.

With regard to the problems connected with that important question, the equitable treatment of commerce, I would observe that an *International Conference on Customs Formalities* is to take place in a few weeks' time at Geneva. This Conference will consider the problem of the exercise of unfair discrimination against foreign goods and certain questions relating to certificates of origin, and in a general way will endeavour to simplify all regulations connected with Customs control, without touching upon problems connected with the Customs or commercial policy of the various States. In regard to this Conference, the Fifth International American Conference, at its session held last spring at Santiago, expressed the unanimous recommendation that the greatest possible number of States should send representatives, and the Second Committee has warmly concurred in this decision (Draft Resolution No. 4).

I have already observed that, as regards the *treatment of foreign nationals and undertakings*, the Council has adopted a recommendation which might perhaps eventually lead to the conventional regulation of this important question, which up to now has been dealt with mainly in commercial treaties (Draft Resolution No. 5).

With regard to the question of *unfair competition*, a meeting of experts will be held next spring, with a view to drawing up a draft convention for ensuring the suppression of certain forms of unfair competition which the provisions of the Conventions at present in force for the protection of industrial property do not make it possible to deal with. In this connection, I would like to remind you that the Venezuelan Delegate to the Third Assembly, His Excellency M. Zumeta, called the attention of members to the harm done to honest trade by the manufacturing and selling of products in a manner which, although not in contravention of the regulations governing trademarks and patents, is nevertheless in the nature of fraud and misleads persons as to the real character of the products. While recognising the importance of this form of unfair competition, both the Economic Committee and the Council were of opinion that its repression falls more within the sphere of national law. The Committee proposes Resolution No. 6 on this point.

For a long time past, commercial circles and, in particular, the International Chamber of Commerce have been impatiently waiting for those States whose legislation or jurisprudence still opposes the recognition of *arbitration clauses inserted in commercial contracts* to adopt the measures necessary for ensuring the recognition in their countries of the validity of agreements to submit present or future differences to arbitration. The efforts of the Economic Committee in this direction were supported by the Genoa Conference in 1922 and by Resolution V of the Third Assembly, and on April 18th last the Council decided to submit to the present Assembly a draft protocol regarding arbitration clauses, with the text of which you are acquainted. This text, prepared

by the Economic Committee with the collaboration of a Committee of Jurists, has been subjected to slight changes by the Second Committee which have, however, left the form of the draft intact, such as it was submitted to us by the Council. (See Annex, pages 7 to 9).

With your permission, I will make a few observations on this project. As I have already said, the important, and indeed, the only aim of the project is to make it impossible in future for the legislation and jurisprudence of the Contracting States to stand in the way of the efficacy of arbitration agreements, especially in commercial matters and between parties living in different Contracting States, even when the arbitration takes place in a country other than those to whose jurisdiction the parties to the contract are subject (Article 1). In consequence, the Contracting States must ensure the execution by their authorities and in accordance with the provisions of their national laws of arbitral awards made in their own territory (Article 3). A further consequence is that the tribunals of the Contracting States, on being seized of a dispute regarding a contract including an arbitration agreement, whether referring to present or future differences, which is valid in virtue of Article 1 and capable of being carried into effect, should refer the parties, on the application of either of them, to the decision of the arbitrators (Article 4). Paragraph 2 of Article 4 deals with cases in which the law of a Contracting State would permit its tribunals, after referring the difference to arbitration, to resume control of the matter, in case the agreement or the arbitration cannot proceed or become inoperative. Article 2 deals with arbitral procedure, including the constitution of the arbitral tribunal; this procedure is governed by the will of the parties and the law of the country in whose territory the arbitration takes place, it being understood that the will of the parties should not be derogatory to the imperative provisions of the law of the country. Articles 5 to 8 contain protocol conditions.

It follows from the above that all questions of private international law, including those which concern the enforcement of arbitral awards in a contracting country other than that in which the award was made, remain unaffected, and that nothing in the present state of affairs has been changed. The project is not intended to resolve these questions, which are of great interest in themselves, and which might be the subject of future agreements.

The Second Committee proposes that you should adopt Draft Resolution No. 3 on this important subject.

An investigation which was carried out by four specially well-qualified experts, M. Josephus Jitta (Netherlands), Sir Mackenzie D. Chalmers, K.C.B. (Great Britain), M. Franz Klein (Austria), and M. Lyon-Caen (France), led the Economic Committee to feel that the work undertaken at The Hague with a view to the unification of the law of *bills of exchange* and *promissory notes* should be continued as soon as conditions might make it possible, in spite of the great or small divergencies which still exist in this connection in national legal systems (Draft Resolution No. 7).

The study of the *unification of economic statistical methods* is being carried on by the provisional Committee on Statistical Methodology, which includes among its members representatives of the Economic Committee, the International Labour Office and the International Statistical Institute. The resolutions finally adopted by this provisional Committee will first be examined by the International Statistical Institute at its next session at Brussels and then referred to the Economic Committee, which, before reporting to the Council, will examine them, in consultation with the principal organisations concerned—in particular, the International Agricultural Institute at Rome, the International Chamber of Commerce and the Institut international du Commerce at Brussels (Draft Resolution No. 7).

I cannot conclude, Gentlemen, without drawing your attention to the usefulness of the *documents published by the Secretariat of the League*, in pursuance of the resolutions of the Second Assembly, for the purpose of giving information as to how far the various Governments have been able to give effect to the Resolutions of the Brussels Conference. The four volumes which have been published provide complete documentary information as to the economic situation and the economic policy of the different countries. I should like, at the same time, to refer to the various other publications of an economic character which have been prepared by the Economic and Financial Organisation; these publications are of great value and are designed to keep the public informed of the changes in the economic situation of the world (Draft Resolution No. 10).

The Japanese Delegate, His Excellency Baron Adatci, has submitted to the Committee the following remarks on a certain number of questions.

## I.

The Japanese Delegation greatly appreciates the splendid work accomplished by the Economic and Financial Commission, and has considered with much pleasure the programme drawn up by the Commission with regard to equitable treatment of foreigners and foreign undertakings in commercial matters. It is well aware that the Commission in no way neglects the very important problem of foreign co-operation in the development of a country's natural riches. In its report to the Assembly last year, this question was not considered ripe for a decision. We are, however, confronted with a vital problem which is of great importance in the development and perfecting of international commerce. That is why we venture to suggest that the newly constituted Commission, as recently strengthened, should seriously consider this important problem, which is one of the practicable applications of the fundamental principle of equitable commercial treatment as laid down in Article 23 of the Covenant.

II.

In its recommendations, the Commission has up to the present confined itself principally to the investigation of the treatment of foreigners and of foreign undertakings, from the point of view of taxes and dues. In the opinion of the Japanese Delegation, it is likewise essential that the general commercial and industrial facilities to be granted to foreigners by the various Members of the League should be taken into consideration, and that the point as to whether foreigners should enjoy the same treatment as nationals should be discussed.

III.

In the present recommendations mention is made of "States Members of the League". This specification "States" occasionally unjustly limits the scope of stipulations which might give rise, in certain cases, to very delicate problems, hence the Japanese Delegation ventures to suggest the deletion of the word "State", leaving only the term "Member".

IV.

Following the custom now existing in certain regions, coast navigation sometimes includes navigation between a country and its distant possessions, divided by the high seas — a high road common to all humanity. This appears to the Japanese Delegation to be little in harmony with the general spirit of equitable treatment of international commerce. The Delegation expresses the hope that the Commission will continue to consider this question, by getting into touch with the Advisory and Technical Committee for Communications and Transport for the purpose, and by basing its work in this connection on the investigations which have been carried out up to the present.

V.

The Japanese Delegation would have been happy to see these questions dealt with in the report of the Second Committee of the Assembly; owing to lack of time, however, the delegation confines itself to expressing the firm hope that the Economic and Financial Commission, lately strengthened by the Council, will when convenient, consider in due course the question cited above together with the many other questions which will claim its attention.

With regard to this interesting communication, the Second Committee proposes for your adoption Resolution No. 8.

The Second Committee unanimously congratulated the different bodies of the Economic and Financial Organisation, so able presided over by MM. Ador, Brunet and Janssen, as well as the Secretariat of the Organisation, supervised with such great competence by Sir Arthur Salter.

Hence the Committee has noted with great satisfaction the decision of the Council to prolong until further notice the term of office of the Economic and Financial Commission.

On this subject, the Committee submits Resolution No. 11 for the approval of the Assembly.

Annexe au rapport sur les travaux  
du Comité économique.

PROTOCOLE RELATIF  
AUX CLAUSES D'ARBITRAGE.

Les soussignés, dûment autorisés, déclarent accepter, au nom des pays qu'ils représentent, les dispositions suivantes :

1. Chacun des Etats contractants reconnaît la validité, entre parties soumises respectivement à la juridiction d'Etats contractants différents, du compromis ainsi que de la clause compromissoire par laquelle les parties à un contrat s'obligent, en matière commerciale ou en toute autre matière susceptible d'être réglée par voie d'arbitrage par compromis, à soumettre en tout ou partie les différends qui peuvent surgir dudit contrat, à un arbitrage, même si ledit arbitrage doit avoir lieu dans un pays autre que celui à la juridiction duquel est soumise chacune des parties au contrat.

Chaque Etat contractant se réserve la liberté de restreindre l'engagement visé ci-dessus aux contrats qui sont considérés comme commerciaux par son droit national. L'Etat contractant qui fera usage de cette faculté en avisera le Secrétaire général de la Société des Nations aux fins de communication aux autres Etats contractants.

2. La procédure de l'arbitrage, y compris la constitution du tribunal arbitral, est réglée par la volonté des parties et par la loi du pays sur le territoire duquel l'arbitrage a lieu.

Les Etats contractants s'engagent à faciliter les actes de procédure qui doivent intervenir sur leur territoire, conformément aux dispositions réglant, d'après leur législation, la procédure d'arbitrage par compromis.

3. Tout Etat contractant s'engage à assurer l'exécution, par ses autorités et conformément aux dispositions de sa loi nationale, des sentences arbitrales rendues sur son territoire en vertu des articles précédents.

Annex to the Report on the work of the  
Economic Committee.

PROTOCOL  
ON ARBITRATION CLAUSES.

The undersigned, being duly authorised, declare that they accept, on behalf of the countries which they represent, the following provisions:

1. Each of the Contracting States recognises the validity of an agreement whether relating to existing or future differences between parties subject respectively to the jurisdiction of different Contracting States by which the parties to a contract agree to submit to arbitration all or any differences that may arise in connection with such contract relating to commercial matters or to any other matter capable of settlement by arbitration, whether or not the arbitration is to take place in a country to whose jurisdiction none of the parties is subject.

Each Contracting State reserves the right to limit the obligation mentioned above to contracts which are considered as commercial under its national law. Any Contracting State which avails itself of this right will notify the Secretary-General of the League of Nations, in order that the other Contracting States may be so informed.

2. The arbitral procedure, including the constitution of the Arbitral Tribunal, shall be governed by the will of the parties and by the law of the country in whose territory the arbitration takes place.

The Contracting States agree to facilitate all steps in the procedure which require to be taken in their own territories, in accordance with the provisions of their law governing arbitral procedure applicable to existing differences.

3. Each Contracting State undertakes to ensure the execution by its authorities and in accordance with the provisions of its national laws of arbitral awards made in its own territory under the preceding articles.

4. Les tribunaux des Etats contractants, saisis d'un litige relatif à un contrat conclu entre personnes visées à l'article premier et comportant un compromis ou une clause compromissoire valable en vertu dudit article et susceptible d'être mis en application, renverront les intéressés, à la demande de l'un d'eux, au jugement des arbitres.

Ce renvoi ne préjudicie pas à la compétence des tribunaux au cas où, pour un motif quelconque, le compromis, la clause compromissoire ou l'arbitrage sont devenus caducs ou inopérants.

5. Le présent Protocole, qui restera ouvert à la signature de tous les Etats, sera ratifié. Les ratifications seront déposées aussitôt que possible auprès du Secrétaire général de la Société des Nations qui en notifiera le dépôt à tous les Etats signataires.

6. Le présent Protocole entrera en vigueur aussitôt que deux ratifications auront été déposées. Ultérieurement, ce Protocole entrera en vigueur, pour chaque Etat contractant, un mois après la notification, par le Secrétaire général de la Société, du dépôt de sa ratification.

7. Le présent Protocole pourra être dénoncé par tout Etat contractant moyennant préavis d'un an. La dénonciation sera effectuée par une notification adressée au Secrétaire général de la Société des Nations. Celui-ci transmettra immédiatement à tous les autres Etats signataires des exemplaires de cette notification, en indiquant la date de réception. La dénonciation prendra effet un an après la date de notification au Secrétaire général. Elle ne sera valable que pour l'Etat contractant qui l'aura notifiée.

8. Les Etats contractants seront libres de déclarer que leur acceptation du présent Protocole ne s'étend pas à l'ensemble ou à une partie des territoires ci-après mentionnés, à savoir : colonies, possessions ou territoires d'outre-mer, protectorats ou territoires sur lesquels ils exercent un mandat.

Ces Etats pourront, par la suite, adhérer au Protocole séparément, pour l'un quelconque des territoires ainsi exclus. Les adhésions seront communiquées aussitôt que possible au Secrétaire général de la Société des Nations qui les notifiera à tous les Etats signataires et elles prendront effet un mois après leur notification par le Secrétaire général à tous les Etats signataires.

4. The Tribunals of the Contracting Parties, on being seized of a dispute regarding a contract made between persons to whom Article 1 applies and including an Arbitration Agreement whether referring to present or future differences which is valid in virtue of the said article and capable of being carried into effect, shall refer the Parties on the application of either of them to the decision of the Arbitrators.

Such reference shall not prejudice the competence of the judicial tribunals in case the agreement or the arbitration cannot proceed or becomes inoperative.

5. The present Protocol, which shall remain open for signature by all States, shall be ratified. The ratifications shall be deposited as soon as possible with the Secretary-General of the League of Nations, who shall notify such deposit to all the Signatory States.

6. The present Protocol will come into force as soon as two ratifications have been deposited. Thereafter it will take effect, in the case of each Contracting State, one month after the notification by the Secretary-General of the deposit of its ratification.

7. The present Protocol may be denounced by any Contracting State on giving one year's notice. Denunciation shall be effected by a notification addressed to the Secretary-General of the League, who will immediately transmit copies of such notification to all the other Signatory States and inform them of the date on which it was received. The denunciation shall take effect one year after the date on which it was notified to the Secretary-General, and shall operate only in respect of the notifying State.

8. The Contracting States may declare that their acceptance of the present Protocol does not include any or all of the under-mentioned territories: that is to say their colonies, overseas possessions or territories, protectorates or the territories over which they exercise a mandate.

The said States may subsequently adhere separately on behalf of any territory thus excluded. The Secretary-General of the League of Nations shall be informed as soon as possible of such adhesions. He shall notify such adhesions to all Signatory States. They will take effect one month after the notification by the Secretary-General to all Signatory States.



Les Etats contractants pourront également dénoncer le Protocole séparément pour l'un quelconque des territoires visés ci-dessus. L'article 7 est applicable à cette dénonciation.

Une copie certifiée conforme du présent Protocole sera transmise par le Secrétaire général à tous les Etats contractants.

FAIT à Genève, le

en un seul exemplaire, dont les textes anglais et français feront également foi, et qui restera déposé dans les archives de la Société des Nations.

The Contracting States may also denounce the Protocol separately on behalf of any of the territories referred to above. Article 7 applies to such denunciation.

A certified copy of the present Protocol will be transmitted by the Secretary-General to all the Contracting States.

DONE at Geneva on the

in a single copy, of which the French and English texts are both authentic, and which will be kept in the archives of the Secretariat of the League.

C. — RESOLUTIONS.

The Second Committee has the honour to propose to the Assembly the adoption of the following resolutions:

"1. The Assembly, being convinced of the great importance of the problems of double taxation and fiscal evasion, thanks the Financial Committee, the economists and Government experts who have examined these questions, and expresses its desire that these studies may within a short time lead to an agreement on certain general principles.

"2. The Assembly expresses its appreciation of the work undertaken or continued by the Financial Committee with a view to promoting the reconstruction of certain European countries. It feels confident that the technical opinion and the advice of the Committee may, in the future as in the past, be placed at the disposal of Governments which make a request to that effect, as has been done up to now in the case of Albania, Austria, the Free City of Danzig and the problem of the Greek refugees.

"3. The Assembly, realising the desirability and urgency of assuring by an international agreement a more general recognition of the validity of the arbitration clause designed to regulate by means of arbitration disputes arising out of contracts, and especially out of commercial contracts, concluded between persons subject to the jurisdiction of different States;

"Recognising the great importance which commercial circles attach to the prompt settlement of this question;

"Considering that the text of the attached Protocol submitted by the Second Committee differs from that which was communicated to the Members of the League by Letter Circular 56 of May 26th, 1923, only as regards a few details of drafting, which do not involve any modifications of substance:

"Decides to open the attached Protocol immediately for signature by the States, expressing the desire to see the greatest possible number of States adhere to it as soon as possible.

"4. The Assembly, emphasising the importance, for the establishment of normal trade relations, of the object of the Conference on Customs Formalities which will open in Geneva on October 15th, and recognising that the achievement of this object would be a further step towards a more equitable treatment as regards the commerce of the States, expresses the hope that the attendance of the States will be the largest possible and that the Conference may result in common agreement between the participating States.

"5. The Assembly notes with satisfaction that the Economic Committee has succeeded in drawing up, for the guidance of Members, a series of principles regarding the treatment of foreign nationals and enterprises duly admitted to establish themselves or to exercise their commerce or industry on the territory of another State. It endorses the action of the Council in recommending the States to put these principles into practice, both by the adaptation of their national legislation and by the conclusion of bilateral agreements.

"6. The Assembly notes with satisfaction the steps taken towards the establishment, by means of international action, of better provisions against unfair competition. It notes the conclusions of the Economic Committee as regards the protection of consumers against worthless goods.

"It further notes the desire expressed by various delegations for the protection, not only of producers against unfair competition, but also of consumers against dishonest trading. Whilst fully aware that the suppression of these practices depends on the initiative of each individual nation, it nevertheless hopes that the Economic Committee will discuss the possibility of international action with a view to the protection of consumers.

"7. The Assembly notes the conclusions of the Economic Committee with regard to the unification of the regulations relating to bills of exchange. It also notes the further progress made towards the unification of methods of compiling economic statistics.

"8. The Assembly refers for careful examination to the Economic Committee the proposals of M. Adatci, with the exception of the proposal respecting the reservation in regard to coasting trade, with which the Second Conference on Communications and Transit should deal if it thinks necessary.

"9. The Assembly notes the first measures taken by the Economic and Financial Organisation as regards the collaboration with the International Labour Office in the enquiry on the economic and financial aspects of the unemployment crisis. It also notes that the Economic Committee has decided to extend its study to the general problem of the present economic crisis, of which unemployment is but one consequence.

"10. The Assembly follows with satisfaction the development of the publications of the Economic and Financial Organisation. It appreciates the utility of this documentation, which elucidates the present grave monetary, budgetary and economic problems.

"11. The Assembly notes with satisfaction the resolution, adopted by the Council on September 10th last, to prolong until further order the term of office of the Economic and Financial Commission. The Assembly, in view of the substantial results already achieved by this body, expresses its confidence that much useful work will be accomplished by it in the future."

---



