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LEAGUE OF NATIONS

COMMUNICATIONS AND TRANSIT
ORGANISATION

COMMITTEE OF ENQUIRY ON QUESTIONS RELATING TO PUBLIC
WORKS AND NATIONAL TECHNICAL EQUIPMENT.

REPORT
on the First Two Sessions of the Committee.

I.

The Committee of Enquiry on questions relating to Public Works and National Technical Equipment set up by the Advisory and Technical Committee for Communications and Transit was instructed by the Council of the League, in application of the following Assembly resolution, dated September 24th, 1931, to study the question of large scale public works :

“ The Assembly,

“ Seeing that, among the measures of international solidarity calculated to mitigate the effects of the economic depression and to assist the resumption of activity which would benefit the workers of all countries, consideration should be given to the execution of important public works jointly undertaken by public or private groups on European or extra-European territory ;

“ Seeing, further, that the problem has already been approached by the Commission of Enquiry for European Union and has been laid before the competent organs of the League of Nations ;

“ In order to expedite the examination of these programmes, to co-ordinate them on an international scale, to hasten their putting into effect and to follow their execution :

“ Invites the Council of the League of Nations to instruct the Committee of Enquiry set up by the Communications and Transit Organisation, to which should be added representatives of the International Labour Office and possibly of the economic and financial organs of the League, to undertake these various tasks.

“ This Committee will examine the concrete proposals of the various Governments, particularly from the point of view of the utility and productivity of the works proposed.

“ It will report to the Council of the League of Nations. The Commission of Enquiry for European Union will be called on to give its opinion on the proposals relating to Europe.”

The Committee met for the first time at Geneva on October 14th and 15th, 1931. It prepared a circular concerning the various programmes for large-scale public works (document C.736.M.341.1931.VIII, of October 19th, 1931) inviting Governments to send to the Secretary-General of the League for submission to the Committee the schemes for public works contemplated by them the execution of which might help to mitigate the present economic crisis and reduce unemployment where it is most acute, or help to develop national technical equipment where such is inadequate. This circular contained details regarding the documents required and information necessary to enable the Committee to gain a correct idea of the proposed works, from a technical and economic standpoint.

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VIII. TRANSIT
1932 VIII 2

In order to prepare for the examination of the schemes received from various Governments in reply to this circular, experts were appointed by the Chairman of the Committee, in agreement with the representative of the Advisory and Technical Committee for Communications and Transit on the Committee on Public Works, to make a preliminary examination of these schemes as Rapporteurs of the latter Committee. Only after this had been done did the Committee feel able usefully to examine the schemes submitted to it.

In certain cases, the documentation sent by the Governments was insufficient. Nevertheless, wherever the information could be completed in time, the Rapporteurs submitted their conclusions before the second session of the Committee. In other cases, however, the Rapporteurs were unable to do so, and the Committee consequently deferred consideration of these schemes until its next session.

At its second session, therefore, held at Paris from March 30th to April 2nd, 1932, the Committee examined the schemes mentioned in Part III of this report.

II.

Before hearing the Rapporteurs on the various schemes, the Committee discussed what criteria it should apply, what main conditions the suggested public works should fulfil (apart from the technical possibility of their execution) in order to warrant the Committee's recommendation.

The Committee finally decided that there were three main points it ought to bear in mind in making its selection, and the soundness of these considerations was confirmed during the course of the examination.

(a) The first point is that the work undertaken shall help to mitigate unemployment. That was the object which the International Labour Office and the other organs of the League of Nations had in view when they invited Governments to combine their efforts in the form of schemes of public works. The Committee will be favourable to a scheme in proportion to the extent to which that scheme is likely to provide employment for a large number of workers over a considerable period.

The various schemes endorsed by the Committee may produce an effect on unemployment in different ways. Some will give employment to a large number of workmen occupied in actual constructional work in the territory of the country in which the scheme is to be put into effect. Others will, to a greater or less extent, provide work for industries in supplying material; they will thus provide employment for workers in these industries, either those of the country in question or the industries of foreign countries which may therefore take a financial interest in the scheme.

The Committee has constantly borne this fundamental consideration in mind; it has even endorsed certain schemes because these were to be carried out in large urban districts in which unemployment is very severely felt. Their execution would therefore be a most manifest and concrete contribution to improving the situation of the industrial population of these districts.

(b) The Committee has also borne in mind the productivity of each suggested scheme. In this connection, it has further defined the position it already adopted in the circular to Governments dated October 19th, 1931. It fully realises that very few of the schemes submitted can be said to be of undoubted productive value — in the strict sense of the term — to be self-supporting and to be likely to pay back the capital invested in them with interest in a short space of time. The Committee feels that public works of international concern, which would be likely to decrease unemployment, need not possess all these advantages. Such advantages would, if the situation became normal again, allow them to be carried through by purely private initiative. The Committee does, however, believe that these works ought to be productive in the sense that their more or less immediate effect on the national economy of the country in which they are carried out should be to improve the industrial or agricultural situation of that country, though they must on no account augment equipment in regions which have already attained a sufficient degree of technical development.

In short, in this respect the Committee can only recommend works which, though they may not represent a total and immediately remunerative employment of capital, will nevertheless involve no loss. Such works could reasonably be taken as the basis for an international financial effort, regarding the possibilities and methods of which the Committee is not called upon to express an opinion (possible guarantees to be provided by the beneficiary States, their participation in meeting the cost, etc.).

As certain works may seem likely to involve the States which have proposed them in heavy financial commitments, the Committee thinks that these works should be carried out by stages, which could be done in the large majority of cases, and should be examined in the light of this possibility.

(c) The third point is that these schemes, by reason of the very spirit of international solidarity which would be necessary to obtain an adequate financial backing, must be of international interest.

Public works may be of international interest as a result of various factors in each case. There are several ways in which an undertaking may become of more than national concern.

Thus, in some cases, a scheme may be of interest to the territory of several States and may help to improve the standard of living of the agricultural populations in two neighbouring countries. In other cases, communications schemes may benefit international trade by facilitating relations. Some schemes may be of international interest because the necessary equipment might be supplied *pro rata* by the industries of different countries. Finally, the suggested undertaking may embody a conception of international solidarity because it would assist various populations in which the League of Nations has taken particular interest and whose situation it is bound, by methods of stabilisation, to make every effort to improve.

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These are briefly the principles on which the Committee worked in carrying out its detailed examination, the results of which will now be explained. In adhering to these three points — campaign against unemployment, productivity, and international scope — the Committee feels that it has strictly adhered to the terms of the Assembly resolution of September 24th, 1931. Those terms of reference were to co-ordinate the steps taken by Governments to inaugurate important public works “calculated to mitigate the effects of the economic depression and to assist the resumption of activity which would benefit the workers of all countries”.

III.

The Committee, after examining the schemes studied by the Rapporteurs who had submitted the results of their investigations, came to the conclusions outlined below.

It recognised, however, that, as regards a certain number of the schemes examined, it could not form a final opinion without an examination on the spot, both from the technical point of view and from that of the utility and productivity of the work. The Committee thinks that these studies on the spot should be carried out by experts appointed by the League of Nations, it being understood, however, that the cost of these studies should be borne by the Governments concerned. The same experts might, if necessary, be asked to follow, on behalf of the Committee, the subsequent execution of the work, as provided in the Assembly's resolution of September 24th, 1931.

BULGARIA.

The Bulgarian Government proposes the construction of a bridge over the Danube at the Bulgaro-Roumanian frontier and the construction of a railway-line connecting this bridge on the one hand with the Roumanian system and, on the other, with the Bulgarian system and with the Greek system beyond.

The Committee did not feel able to retain this plan, since, on the one hand, the Bulgarian Government's report shows that there is not yet any agreement between this Government and the Roumanian Government with regard to the construction of the bridge, and since, on the other hand, the plan for the proposed line provides for a tunnel of nearly twelve kilometres, an extremely expensive piece of work in relation to the comparatively limited quantity of labour to be employed.

GREECE.

The Committee examined in succession the scheme for the construction of roads and the plan of drainage and irrigation works submitted by the Greek Government.

As regards the first scheme, the Committee considered, after an examination, that the majority of the elements of this plan having a purely local character, it could not be included in the category of the operations to be retained.

On the contrary, as regards the drainage and irrigation works in the plains of Salonica and Seres which have been in progress for several years, the Committee thinks that the continuation of this undertaking deserves to be supported, in view, notably, of the question of the settlement of Greek refugees from Asia Minor, a work of international solidarity which has for a long time past come within the scope of the League's policy.

Nevertheless, both as regards the estimate of the expenditure still to be incurred (which is put at 190 million Swiss francs) and the economic results of the operation, the Committee cannot give a final opinion until an expert examination has been made on the spot.

LATVIA.

Latvia has submitted two schemes — one for the construction of roads and bridges and the other for the construction of a hydro-electric station.

After an examination, the Committee gave its preference to the plan for the construction of roads and bridges, in spite of its mainly national character, owing chiefly to the advantage which it presents for the economic development and technical equipment of the country and the reduction in unemployment.

The estimate of expenditure, which is put at 90 million Swiss francs for the roads and 8½ millions for the bridges, seems justified.

As regards the plan for the construction of a hydro-electric station on the Daugawa at Dole, the Committee thought that the execution of this plan, although very well prepared from the technical point of view, was not at the present time of sufficient importance to enable the Committee to recommend the undertaking.

POLAND.

The Polish Government submitted numerous plans concerning :

- (a) Hydraulic or drainage works for towns ;
- (b) Railways ;
- (c) Roads.

(a) *Hydraulic works.* — As regards the hydraulic works, the Committee retained particularly the plans enumerated below.

- I. Regularisation of the Rawka (estimate 2.9 million Swiss francs). The work is in progress. It will be of great utility to the population of the Silesian mining centre and will materially reduce unemployment.
- II. Completion of the Government water-conduit system in Upper Silesia (estimate, 12 million Swiss francs). The work is in progress. Its completion will tend to reduce the state of unemployment in the metallurgical industries, etc.
- III. Reconstruction of the Royal Canal (estimate 35 million Swiss francs). The work is now in progress. It will be of great value for the economic improvement of large areas of Eastern Poland. The execution of the work will have a favourable influence on the employment of labour in this region.
- IV. Drinking-water supply and drainage of the towns of Lowicz, Rzeszow and Lomza (estimate 8 million Swiss francs). Work of great public utility likely to reduce unemployment.
- V. Drinking-water supply of the town of Lodz (provisional estimate 25 million Swiss francs). Work of great public utility tending to reduce unemployment. The final plan has not yet been settled.
- VI. Extension of the drinking-water supply of the towns of Warsaw, Poznan, Cracow, Lwow, Tarnow, Bydgoszcz and Katowice (estimate 50 million Swiss francs). Work of great public utility likely to reduce unemployment. The work can be carried out in separate sections.

Among these works, those mentioned in I to V should, in the Committee's opinion, be given priority.

(b) *Railways.* — The Polish Government has submitted a certain number of plans, among which, owing to the present structure of the Polish system and the existence of the road system for which a programme of extension is contemplated, the Committee has retained, owing to their special importance for unemployment in these two great centres, the plans regarding the acceleration of the construction of the railway junctions of Warsaw and Cracow, to which might be added the plans for the construction of the Warsaw-Radom-Ostrowiec-Bodzechow (electric or steam) and Miechow-Cracow lines, and that for the electrification of the Warsaw suburban system.

The estimate of expenses for the first two plans is 64 million Swiss francs and for the last three 91 millions.

(c) *Roads and bridges.* — The road programme submitted by the Polish Government includes, among the most urgent work, the construction of durable revetments on the roads for a distance of about 3,100 kilometres. All these roads are important from the point of view of traffic, and their distribution over the country seems rational. Nevertheless, the Committee thinks that the length of roads might usefully be reduced — for example, to 2,000 kilometres — and in this case it thinks it would be well to omit the construction of the road from Stanislawow to Lublin and that from Stanislawow to Cracow.

The estimate of expenditure amounts to 245 million Swiss francs for the roads and 36 millions for the construction or reconstruction of bridges.

In examining the road programme submitted by the Polish Government, the Committee noted that the majority of the roads which it is proposed to strengthen duplicate the existing railway-lines or those provided for in the railway construction programme mentioned above. Since, in the present circumstances, the Committee attaches special importance to the productivity of the work, it considers that it could not recommend the simultaneous construction of the sections in question, both of the road system and of the railway system, and thinks that the Polish Government should state its preference either for the railway or the road in each particular case.

YUGOSLAVIA.

The Yugoslav Government has submitted the following plans :

- (a) Road programme ;
- (b) Programme of hydraulic works ;
- (c) Construction of railways and of a bridge over the Danube.

(a) *Road programme.* — The Yugoslav Government proposes two road systems running north-west and south-east ; the first following fairly closely the Adriatic coast from the Italian frontier to the Albanian frontier, passing through Susak, Sinj, Kotor, Uljcinj and then proceeding towards Tirana ; the second parallel to the Hungarian and Roumanian frontiers, proceeding from the Austrian frontier, direction of Munich, towards the Greek frontier, direction of Salonika, and going through Ljubljana, Zagreb, Belgrade, Nish, Skoplje, Djevdjelia, with various branches from Zagreb to the Austrian frontier in the direction of Vienna ; from Zagreb to the Italian frontier in the direction of Trieste ; from Belgrade to the Hungarian frontier in the direction of Budapest ; from Belgrade to the Roumanian frontier in the direction of Bucarest, and from Nish to the Bulgarian frontier in the direction of Sofia and Istanbul.

The Committee thought it could recommend this second system, which answers much better than the first to the general considerations on which the Committee has based its work. The proposed road constitutes the backbone of the country and provides liaison with all the neighbouring countries.

No special observation is called for with regard to the estimates of expenses, which are put at 137½ million Swiss francs in the case of the construction of a modern highway on all the sections of the road in question, and of 68½ millions in the case of reconstruction on a less elaborate scale.

(b) *Programme of hydraulic works.* — The plans submitted are the following :

- (1) Work to be carried out at the Lake of Skadar (Scutari), on the Bojana River, on the lower course of the Drim and on the Kiri River.
- (2) Construction of a navigable canal from the Danube (Dubravica) to the Ægean Sea (Salonika).

The Committee accepted the first of these two plans, which seemed to it extremely interesting. The estimate of expenditure is 71 million Swiss francs ; the share of this expenditure to be borne by Yugoslavia would, according to the estimates, be 31½ millions, and that to be borne by Albania 39½ millions.

Nevertheless, the Yugoslav Government's plan, while mentioning that the Albanian Government agrees in principle to participate in this work, does not say that this Government has given its formal consent either with regard to the technical provisions of the plan on Albanian territory or as regards the allocation of expenditure. No decision can be taken until such an agreement has been obtained, particularly as the work cannot be divided into several fractions.

Here, again, the Committee cannot come to a final decision before there has been an expert examination on the spot.

As regards the plan for a navigable waterway from the Danube to the Ægean Sea, the Committee was unable to retain this proposal, with regard to which it has serious reservations to make, both from the economic and technical points of view, especially regarding the section between Stalac and the Ægean Sea.

(c) *Construction of railways and of a bridge over the Danube.* — The expenditure is estimated at 50½ million Swiss francs, including half the cost of building the bridge (Yugoslav side). The Committee recommends this operation, which is intended to establish a section of the line forming part of the great international "45th parallel" route between France, Italy and Yugoslavia on the one hand, and Roumania and Russia on the other, and which, by the construction of this comparatively short section would considerably improve the present communications.

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The Committee, at the close of the proceedings of its second session, submits the present report to the Council of the League of Nations on the results of this first examination, in accordance with the Assembly's resolution of September 24th, 1931.

The Committee will also continue the examination of the other plans which have been submitted to it, or which may be submitted to it subsequently, and will make a further report to the Council when it is in a position to give an opinion upon them.



