

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



RESTRICTED

E/CN.7/AC.3/R.1

25 April 1950

ORIGINAL: ENGLISH

COMMISSION ON NARCOTIC DRUGS

COMMITTEE ON A SINGLE CONVENTION ON NARCOTIC DRUGS

Committee of the Whole

PREPARATORY DOCUMENTATION

Note by the Secretary-General

4 MAY 1950

9 April W.

In accordance with the request which the Commission on Narcotic Drugs made to the Secretariat during its fourth session (Report of the Commission to the Economic and Social Council; document E/1361:E/CN.7/186; Annex B, Section 15(4)), the Secretary-General has the honour to communicate herewith the minutes of the Preparatory Committee (of the Advisory Committee of the League of Nations on Traffic in Opium and other Dangerous Drugs) for a Conference to Examine the Possibility of Limiting and Controlling the Cultivation of the Opium Poppy and the Production of Raw Opium, which met in 1938 (Part I); the minutes of the Advisory Committee which are concerned with the Preparatory Committee's report (Part II); and the minutes of those meetings which the Advisory Committee held in 1939 at which the proposed Conference was discussed, (Part III). The minutes are reproduced from documents issued by the League of Nations, which have been edited to facilitate their presentation as a single document.

The Secretary-General desires to draw particular attention to the minutes of the thirteenth and fifteenth meetings of the twenty-third session of the Advisory Committee held in 1938 (Part II), which contain a record of discussions on the question of the publication of the minutes of the Preparatory Committee. After having considered the views expressed therein, the Secretary-General has decided that it would hardly be appropriate for him to issue the present document in the "General" category of United Nations publications in view of the wide circulation, including communication to the Press, which it would in such circumstances receive. It is therefore issued as a "Restricted" document for distribution only to the members of the Commission on Narcotic Drugs.

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Part I

ADVISORY COMMITTEE ON TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS
Preparatory Committee for a Conference to Examine the Possibility of Limiting
and Controlling the Cultivation of the Opium Poppy and the Production of
Raw Opium.

Minutes of the session held at Geneva from 23 May to 15 June 1938.

Sources: League of Nations documents O.C./C.O.P./P.V. 1 to 12 and corrigenda.

Introductory Note

The session of the Preparatory Committee lasted from 23 May to 15 June 1938. Twelve meetings were held, all in private.

The Preparatory Committee was constituted as follows:

<u>Members:</u>	Dr. W. Chodzko (<u>Chairman</u>)	Poland
	Mr. J. H. Delgorge (<u>Vice-Chairman</u>)	Netherlands
	Major W. H. Coles (<u>Rapporteur</u>)	United Kingdom
	Mr. Carnoy	Belgium
	Dr. D. Karadjoff	Bulgaria
	Colonel C. H. L. Sharman, C.M.G., C.B.E., I.S.O.	Canada
	Dr. C. T. Hoo	China
	Dr. Svoboda	Czechoslovakia
	Russell Pasha	Egypt
	Mr. G. Bourgois	France
	Mr. A. Embiricos-Coumoundouros	Greece
	Dr. R. Ballenegger	Hungary
	Mr. W. W. Nind	India
	Mr. Bahramy	Iran
	Mr. V. Pilossian (Substitute)	Iran
	Mr. Amau	Japan
	Mr. G. B. van Blokland (Substitute)	Netherlands
	Mr. Fernandes	Portugal
	Mr. P. Rajawangsan	Siam
	Mr. Carreras Reura	Spain
	Mr. V. Hurtado (Substitute)	
	Dr. H. Carrière	Switzerland
	Mr. M. N. Sadak	Turkey
	Mr. S. J. Fuller	United States of America
	Mr. Soubotitch	Yugoslavia
	Dr. S. Gavrilovitch, Dr. D. Mihailovitch (Substitutes)	

Expert: Sir Delevingne

Secretariat: Mr. B. Renborg (Acting Director of the Opium Traffic Section)

Mr. L. Steinig

Mr. Soubotitch attended the first meeting only and Yugoslavia was represented at the other meetings of the session by Dr. Gavrilovitch and Dr. Mihailovitch. Mr. Embiricos-Coumoundouros (Greece) did not attend the fourth meeting. Mr. Fernandes (Portugal) did not attend the 1st, 2nd, 3rd, 4th, 10th and 12th meetings. Mr. Carnoy (Belgium) did not attend the 12th meeting.

FIRST MEETING

Held on 23 May 1938, at 11 a.m.

Opening of the Session

Dr. CHODZKO (Poland), as Chairman in office of the Advisory Committee on Traffic in Opium and other Dangerous Drugs, opened the session which, he pointed out, was held in accordance with a decision taken by the Advisory Committee in 1937.

Composition of the Committee

Dr. CHODZKO (Poland) welcomed the presence for the first time of the representatives of the following countries:

His Excellency Mr. Embiricos-Counoundouros, Minister Resident (Greece).

Dr. Svoboda, Counsellor in the Ministry of Public Health and Physical Education (Czechoslovakia).

He also welcomed Dr. Robert Ballenegger, Director of the Institute of Horticulture in Hungary, as representing the Hungarian Government specially invited to participate in the Advisory Committee's work with reference to limitation of poppy cultivation.

The Governments of the USSR and Afghanistan have indicated that they are not in a position to accept similar invitations to take part in the Committee's work.

He would also like to welcome a number of new members representing countries that had previously taken part in the work of the Advisory Committee. These were:

Bulgaria: His Excellency Dr. Karadjoff, Permanent Delegate at Geneva.

Spain: Don Francisco Carreras Reura, Head of the Narcotics Control Service, together with

Mr. Victor Hurtado, Spanish Vice-Consul at Geneva, substitute delegate.

India: Mr. Nind, Indian Civil Service (retired).

Iran: His Excellency Mr. Bahramy, Permanent Delegate at Geneva.

Japan: His Excellency Mr. Amau, Japanese Minister at Berne.

Netherlands: Jonkheer Beelaerts van Blokland, substitute delegate.

Turkey: His Excellency Mr. Sadak, Permanent Delegate of Turkey to the League of Nations.

/He would

He would also like to extend a warm welcome to the expert invited by the Advisory Committee, namely, Sir Malcolm Delevingne, President of the Supervisory Body and formerly representative of the United Kingdom on the Advisory Committee.

Government experts had also been sent as delegates by Japan, Turkey and Yugoslavia.

He regretted that the following members of the Advisory Committee had left since the last session:

Austria:	Dr. Schultz
Bulgaria:	His Excellency Mr. Momtchiloff
Portugal:	Dr. Vasconcellos
Turkey:	Mr. Numan Tahir Semen

He expressed the Committee's regret that they would not be present that session, and thanked them for the services rendered to the Advisory Committee.

Election of Bureau

Mr. BOURGOIS (France) proposed that the Bureau should be constituted in the same manner as at the last session of the Advisory Committee, i. e. Dr. Chodzko, Chairman, Mr. Delgorge, Vice-Chairman, Major Coles, Rapporteur.

Dr. CARRIERE (Switzerland) seconded this proposal.
The proposal was adopted unanimously.

The CHAIRMAN thanked the Committee for its mark of confidence.

Publicity of Meetings

The CHAIRMAN pointed out that the present Committee was a Committee of Experts or a sort of sub-committee of the Advisory Committee. Such committees usually sat in private session. The necessary publicity would, however, be provided for since any decisions reached would be brought before the Advisory Committee which sat in public.

/Dr. HOO Chi-Tsai

Dr. HOO Chi-Tsai (China) proposed that meetings should be held in public since the composition of the Committee was identical with that of the Advisory Committee. The Committee would probably split up into sub-committees which would of course sit in private session. He thought it would be of interest to discuss the very difficult question of the cultivation of the opium poppy in public.

The CHAIRMAN pointed out that a decision had been taken in 1937 to hold the meetings of the Preparatory Committee in private.

Mr. RENBORG (Acting Director of the Opium Section) said this question was of course one for the Committee to decide, but he would like the members to consider the matter very carefully. He thought that if the meetings were open to the public, members might not be inclined to speak as freely as in private meetings. In any case the discussion of the results in the Advisory Committee in June would be public.

Major COLES (United Kingdom) said the meetings held in 1937 had been private on his suggestion. The system had worked well and had led to a freer exchange of views than would have been possible in public. Now that the Committee had to deal with the various proposals put forward at that time, it was desirous that the members should have the utmost freedom of discussion.

A vote was taken and it was decided by 8 votes to one to hold the meetings in private session.

Programme of Work

Mr. RENBORG (Acting Director of the Opium Section) made a statement on the following points:

- (1) The situation in 1936 as compared with 1935 in respect of the production, consumption and stocks of raw opium, and the international trade.
- (2) The principal documents before the Committee.
- (3) Suggestions as to the probable results of the present session.
- (4) Procedure which the Committee might follow.

It was decided to issue Mr. Renborg's statement in the form of a document.
(See document O.C./Confidential/31).

SECOND MEETING

Held on May 23rd, 1938 at 3.30 p.m.

LETTER FROM MR. EKSTRAND TO THE CHAIRMAN.

The CHAIRMAN read a letter from Mr. Ekstrand expressing his best wishes for the success of the Conference and his regret at his inability to be there. Mr. Ekstrand hoped the mission entrusted to him by the Secretary-General would help to make the Committee's work better understood. He had found that the competent authorities everywhere desired to establish effective collaboration with those organs of the League of Nations which dealt with opium and dangerous drugs and followed the League's work in this sphere with great interest.

The Committee decided, on the Chairman's suggestion, to thank Mr. Ekstrand for his good wishes.

COMPOSITION OF THE COMMITTEE (Continuation)

The CHAIRMAN said he had been informed by the Permanent Delegation of Bulgaria accredited to the League of Nations that Mr. Detchko Karadjoff, Permanent Delegate, would be assisted and, if necessary, replaced by Mr. Silianoff, Secretary of Legation.

He was informed by the Hungarian Delegation accredited to the League of Nations that Mr. Miklos Wendler, Director-General of the Alkaloid Products Factory, Hungary, would accompany the Hungarian Delegation as expert.

PROGRAMME OF WORK (Continuation)

Mr. RENBORG (Acting Director of the Opium Traffic Section) said the Chinese representative had called his attention to a mistake in his statement at the last meeting: he should have stated that China's production in 1936 covered six out of seven provinces, only Yunnan being missing.

Mr. BOURGOIS (France) asked how the 1,200 tons said to be necessary for legitimate requirements was made up. Omitting China and India, requirements were usually put at 300 tons for manufactured drugs and 300 tons for Government monopolies.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said the total of 1,200 tons was made up of four figures:

/1935

	1935 tons	1936 tons
1. Quantities used for manufacture... ..	255	322
2. Raw opium for the manufacture of prepared opium... ..	280	281
3. Quantities used for the preparation of medicinal opium	28	43
4. Quantities for internal use for non-medical purposes except in the form of prepared opium (estimated)	474	474
Total approximately	1037	1120

Mr. BOURGOIS (France) asked what was meant by "internal non-medical use".

Mr. RENBORG (Acting Director of the Opium Traffic Section) said this expression referred mainly to the eating of opium.

PRINCIPLES ON WHICH A CONVENTION FOR THE LIMITING OF POPPY CULTIVATION AND OF THE PRODUCTION OF RAW OPIUM MIGHT BE BASED (Document O.C./Confidential/27 and annexes)

The CHAIRMAN opened the discussion on this document.

INTRODUCTION

a) General Observations

Mr. FULLER (United States of America) was unable to accept the statement; "The quantities of raw opium necessary for the manufacture of narcotic drugs will tend to increase" (second paragraph). It took no account of the poppy straw process. There was great concern in his country at the increased illicit traffic emanating from certain countries and the possibility of abandoning the manufacture of morphine from raw opium and manufacturing from the entire poppy plant was under consideration. If that policy were generally adopted, it would make a great difference to the quantity of raw opium necessary for the manufacture of morphine.

The introduction of a similar process in other parts of the world would, he thought, have to be taken into consideration in connexion with the very broad statement he had quoted.

It was also stated that the quantities needed for the manufacture of prepared opium and for other non-medical consumption had in recent years shown a definite tendency to decrease (end of second paragraph). He was not sure that was the case. What was the authority for the statement?

/Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Traffic Section), replying to Mr. Fuller's first observation, drew attention to the sentence "An extended use of poppy straw for this purpose would necessarily reduce the demand for raw opium" (second paragraph).

In reply to Mr. Fuller's second observation, he said that the sentence quoted was based on the statistical information available to the Committee. The quantities of raw opium used for the manufacture of prepared opium were as follows:

1927.....	691 tons
1928.....	603
1929.....	673
1930.....	524
1931.....	359
1932.....	245
1933.....	250
1934.....	321
1935 and 1936.....	280 (about)

Thus, between 1927 and 1936 there had been a decrease of over 50%. The figures for non-medical consumption as far as they were available were:

1928.....	500 tons
1929.....	476
1930.....	439
1931.....	442
1932.....	468

Only estimates were available for subsequent years. They all amounted to about 475 tons.

Mr. FULLER (United States of America) asked whether the figures given by Mr. Renborg were not confined to prepared opium made up by certain, though not all, prepared opium monopolies. It was clear from the last annual report for Hong Kong that the amount of opium prepared for the Monopoly had no relation to the amount consumed. He was under the impression that the figures did not include China (north or south of the Great Wall) and were therefore incomplete,

/Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Traffic Section) was ready to admit that the figures might be incomplete, but pointed out that account could only be taken of the figures supplied to the Committee. The statement in the Document O.C./Conf./27 quoted by Mr. Fuller obviously referred to such consumption of prepared opium as was authorized by the Governments of countries in which monopolies existed and for which the Secretariat had information.

As to China, he repeated that the Chinese Government had adopted a six-year plan for the total suppression of opium smoking. If that plan was successful, the quantities of raw opium used for prepared opium in China, in the territories under the control of the National Government of China - would certainly diminish considerably.

Sir Malcolm DELEIVINGNE (Expert) asked why one of the effects of limitation of poppy cultivation would be the total suppression of the use of prepared opium (third paragraph).

Mr. RENBORG (Acting Director of the Opium Traffic Section) referred Sir Malcolm Delevingne to point (b). Raw opium requirements for the purpose of the manufacture of prepared opium in countries where opium smoking is still temporarily authorized.

He reminded the Committee that under the international conventions in force, Governments of countries where opium smoking was permitted had undertaken to curtail and effectively to suppress opium smoking. Furthermore, the Commission of Enquiry of 1929 and 1930 had the specific task of investigating the extent to which illicit traffic in raw and prepared opium prevented Governments in the territories concerned from carrying out their obligations, these Governments having repeatedly stated that they were unable completely to suppress opium smoking as long as there was active illicit traffic in their territories.

A convention limiting poppy cultivation and the production of raw opium to the world's legitimate requirements would, if successful, presumably do away with the illicit traffic. Governments would then be able to carry out their undertaking to suppress opium smoking.

/Sir Malcolm DELEIVINGNE

Sir Malcolm DELEIVINGNE (Expert) thought the statement he had quoted should be amplified in order to make the position clear.

Mr. BOURGOIS (France) suggested that the last paragraph of his note on the limitation of the cultivation of the opium poppy (Document O.C./Confidential/16), represented what Sir Malcolm Delevingne and the Secretariat had in mind:

"A Convention on these lines should be capable of obtaining the signatures of the countries concerned, and in this way would bring about a considerable decrease in present production from which everyone would benefit. The reduction in the illicit market would make it easy for the 'Smoking-opium Monopolies' to introduce a system of licenses, registration and even rationing, which is the first step towards the abolition of opium smoking".

Dr. HOO Chi-Tsai (China) said that while he did not regard the abolition of illicit traffic as the only way to suppress the smoking opium monopolies, he arrived at the same conclusion as Mr. Renborg for different reasons.

The new Convention should be based on the 1912 Hague Convention, the signatories of which agreed to "take measures for gradual and effective suppression of the use of prepared opium". It should aim not only at limiting production to world legitimate requirements but at doing away with opium smoking. One, but not the only method, would be to limit poppy cultivation.

It would be necessary to define the word "legitimate". As the Committee was aware, the Chinese Government did not regard the use of prepared opium for smoking as legitimate. The only legitimate requirements were medical and scientific. The main object of the Convention should therefore be to reduce the amount of opium used to scientific and medical requirements.

Mr. CARNOY (Belgium) agreed that it was very important to define the word "legitimate", and asked when this point would be considered.

The CHAIRMAN said it would arise in connexion with point (b).

/Colonel SHARMAN

Colonel SHARMAN (Canada) agreed with the United States delegate that the use of the complete poppy plant might revolutionize the situation.

With regard to the suggestion that the quantities needed for the manufacture of prepared opium and for other non-medical consumption had shown a definite tendency to decrease in recent years, he pointed out that there had been considerable discussion on this point in the Advisory Committee in 1937 and Hong Kong was quoted as an example. That Colony had in fact informed the League that its sales of monopoly opium were something like one-seventieth of the illicit opium sold in the Colony. Only recently, an important seizure of illicit opium had been reported to the League from Hong Kong, and it was stated to be of such importance that the absence of so large a quantity from illicit circles had increased sales by the Monopoly. The Secretariat's statement in question therefore conveyed a wrong impression in some quarters.

Furthermore, according to Mr. Renborg, no figures for the eating of opium were available for the years 1935 and 1936. What, then, was the basis for the statement?

Mr. RENBORG (Acting Director of the Opium Traffic Section) noted the statements made by the United States and Canadian representatives which would be taken into account by the Rapporteur when he drew up his report.

Mr. SADAK (Turkey) drew attention to the reference in the seventh paragraph to new producing countries. He thought it should be made clear that after the new Convention had been signed, countries not producers already would not be allowed to engage in production after a certain date.

Sir Malcolm DELEIVINGNE (Expert) asked whether the expression "consuming countries" in the same paragraph meant countries which used raw opium for the manufacture of narcotic drugs and medicines or any countries in which such drugs and preparations were used. The latter would comprise almost the whole world, but the former would be a somewhat limited number.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that in the present case, "consuming countries" meant countries importing raw opium for industrial purposes. Naturally there were countries which consumed drugs and preparations without importing raw opium.

/Colonel SHARMAN

Colonel SHARMAN (Canada) suggested replacing "consuming" by "importing".

Mr. CARNOY (Belgium), referring to the second sentence of paragraph 7, said that it would be a pity to wait until all the producing countries and all the consuming countries had ratified the new convention before bringing it into force.

Mr. RENBORG (Acting Director of the Opium Traffic Section) suggested omitting the sentence in view of the above remarks.

Mr. SADAK (Turkey) pointed out that the first sentence referred to "world-wide application". In his opinion, the second sentence completed the first. Ratification -- at least by the producing countries -- was essential to world-wide application.

Dr. HOO Chi-Tsai (China) thought the sentence complicated the situation. If ratification by all the producing countries was a sine qua non, the Convention would never be put into force.

Mr. CARNOY (Belgium) agreed. A producing country which was not of great importance might hold up the Convention by failing to sign and ratify it.

Mr. RENBORG (Acting Director of the Opium Traffic Section) thought the point raised by the Turkish representative might be settled during the drafting of the Convention. In that case, perhaps Mr. Sadek would agree to the omission of the second sentence and the addition to the first of the words "which would of necessity include all producing countries of any importance."

Mr. SADAK (Turkey) said he must make full reservations on the matter. It greatly interested his Government which could not, he thought, adhere to a convention not of world-wide application.

Major COLES (United Kingdom) (Rapporteur) suggested that he should prepare a new text for his report.

Agreed.

/Mr. FULLER

Mr. FULLER (United States of America) thought the word "until" in the eighth paragraph should read "only". Opium only began to be exported from Iran to Manchukuo a few years previously.

Mr. RENBORG (Acting Director of the Opium Traffic Section) repeated that the Secretariat could only use the statistical information in its possession. Since 1935, Iran's export statistics had not shown any exports to that area. He had no objection, however, to the proposed amendment.

The CHAIRMAN asked whether Mr. Fuller was satisfied with this reply.

Mr. FULLER (United States of America) said he was satisfied if Mr. Renborg's statement was correct. He pointed out, however, that at the last session of the Advisory Committee, the delegate of Iran had stated that his country was still exporting Iranian opium to Manchukuo.

b) Raw opium requirements for the purpose of the manufacture of prepared opium in countries where opium smoking is still temporarily authorized.

Dr. HOO Chi-Tsai (China) noted that there were many references to opium smoking; there was, however, another aspect of the problem which should be taken into account, namely that of opium for eating.

Mr. CARNOY (Belgium) was glad to see that reference had been made to endeavours to abolish opium smoking.

Main principles on which limitation of poppy cultivation might be based.

Mr. RENBORG (Acting Director of the Opium Traffic Section), referring to page 5, said that it was only intended to give a summary of the main principles upon which the limitation of poppy cultivation might be based.

Mr. FULLER (United States of America) understood that the list of principles was not intended to be complete. The first principle mentioned was certainly very vague. In actual fact, world requirements of narcotics could all be met indirectly, without using raw opium at all. With regard to the second point on page 5, he was unable to express an opinion without first consulting his Government.

D. METHOD OF ESTABLISHING FOR EACH YEAR WORLD REQUIREMENTS OF RAW OPIUM

Sir Malcolm DELEIVINGNE (Expert) said the suggestion that Governments of producing countries should submit estimates showing the area to be cultivated raised an important question, and he proposed that the Committee should not be regarded as having taken any decision on that point at the present stage. The really important factor was the amount of raw opium produced, and not the area under cultivation.

a) Estimates by Governments of their requirements of raw opium.

Mr. FULLER (United States of America) understood from the title that Section I dealt only with raw opium. He presumed that the Committee would subsequently have the opportunity to discuss the question of controlling the cultivation of the opium poppy for the direct manufacture of morphine.

The last paragraph on page 7 was dangerous and should be omitted. He suggested that there should be "a limitation of other poppy cultivation than that intended for the production of raw opium".

Mr. RENBORG (Acting Director of the Opium Traffic Section) pointed out that hitherto the Advisory Committee and the present Committee had been concerned with preparatory work for a convention for the limitation of poppy cultivation and the production of raw opium. If the Committee considered that it should extend the scope of its work it could decide to do so. Control over poppy cultivation for the production of other products than raw opium would be difficult.

Mr. FULLER (United States of America) said that at the last session of the Advisory Committee it had been stated that the latter was one of the problems which the present Committee would discuss.

Colonel SHARMAN (Canada) said that in any case the Committee could not allow the statement made in the final paragraph on page 7 to pass.

Mr. BOURGOIS (France) said that he had studied the question of poppy cultivation for the production of morphine and other products, and would communicate a note to the Committee on the subject.

/b) International

b) International controlling authority and its functions in receiving and examining estimates by consuming countries.

No observations.

c) Estimates by the producing countries and functions of the international controlling authority.

Sir Malcolm DELEVINGNE (Expert) said it was suggested on page 11 that Governments might be required to submit either estimates of the area to be cultivated, or estimates of the expected yield of raw opium. The second alternative might be more clearly expressed if the passage were altered as follows: "alternatively, producing countries might be required to submit, simultaneously with consuming countries, estimates indicating the basis on which they are going to calculate the area to be cultivated in the year to which the estimates refer". That would facilitate the work of the Supervisory Commission.

Dr. HOO Chi-Tsai (China) asked why no suggestion had been made that stocks in consuming countries should be kept at a fixed level.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the Committee might well discuss the question of fixing the level of stocks in opium smoking countries, and explained that the present document was not intended to be complete but was only a plan of work.

Mr. BOURGOIS (France) said that the point raised by Dr. Hoo was very important.

The CHAIRMAN said that the Rapporteur would take account of Dr. Hoo's observation.

d) Supplementary Estimates.

Sir Malcolm DELEVINGNE (Expert) asked whether, if supplementary estimates were allowed, the supervisory body would have to allocate supplementary amounts and whether the Secretariat had studied how the Supervisory Commission would deal with the matter.

/Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that it was intended that the proposed convention should follow the lines of the 1931 Convention, i.e. the supervisory body would examine supplementary estimates and if they entailed additional production it would allocate the amounts to the producing countries. The point was, however, one which required careful study.

Sir Malcolm DELEIVINGNE (Expert) pointed out that even if the supplementary amounts were drawn from stocks it would still be necessary for the quotas to be modified by the Supervisory Commission, which at present only met twice a year.

The CHAIRMAN said that such technical matters would have to be carefully discussed.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said it was not easy at the present stage to judge how the scheme would operate. The supervisory body might have to sit more or less permanently.

II. METHODS OF ALLOTING QUANTITIES TO BE PRODUCED FOR EXPORT PURPOSES BETWEEN THE PRODUCING COUNTRIES

a) General observations.

Colonel SHARMAN (Canada) said that on page 13 there was a reference to a proposed "free order system under which consuming countries would indicate in their estimates the producing countries from which they intended to obtain the raw opium required". There were consuming countries like Canada which had always obtained their requirements from "middlemen" countries, such as the United Kingdom or Germany. Were the latter countries to be excluded?

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the Secretariat had in mind the principal industrial countries but had not dealt in detail with the question of re-exportation. When Canada sent in estimates would they not indicate the brand or quality of opium required?

Colonel SHARMAN (Canada) refused to be the first to make an undertaking in connexion with a convention which did not yet exist.

Mr. FULLER (United States of America) said that he could express no opinion regarding this part of the document without first consulting his Government.

THIRD MEETING

held on May 24th, 1938, at 10.30 a.m.

COMPOSITION OF THE COMMITTEE

The CHAIRMAN read a letter from Mr. Numan Tahir Seymen, regretting that he was no longer able to represent Turkey in the Advisory Committee in view of his appointment to another post. He proposed to send a letter of thanks on behalf of the Committee to Mr. Seymen.

Agreed.

The CHAIRMAN read a letter from the Canadian Permanent Delegation to the effect that Mr. Alfred Rive would take part in the meetings as adviser to Colonel Sharman.

PRINCIPLES ON WHICH A CONVENTION FOR THE LIMITATION OF POPPY CULTIVATION AND OF THE PRODUCTION OF RAW OPIUM MIGHT BE BASED (Document O.C./Confidential/27)
(continuation of the discussion)

II. (b) Possible methods of allocating opium production among producing countries (pp. 15-20 of the English text)

The chapter of the Report concerned, having been read, was put by the Chairman for discussion.

Mr. GAVRILOVITCH (Yugoslavia) described the advantages and disadvantages of the quota system and the free order system. He was in favour of the former as the most effective way of ensuring an equitable limitation of cultivation. It tended also to produce stability of production, which was economically and otherwise desirable.

There were three methods of fixing quotas. The first was the method recommended by the Secretariat of agreements between the producing countries. The difficulty in this case was the desire of the different countries to put their quotas as high as possible. Then there was the method of more comprehensive agreements including the consuming countries, so as to afford the latter an opportunity of stating their requirements.

As regards the third method proposed, considerable experience of limitation since 1925 was now available and the statistical material was very much fuller.

/That experience

That experience ought to be brought to bear on the problem of quotas.

Mr. BOURGOIS (France) said he had drawn attention in his note (O.C./Confidential/16) to the advantages of the quota system: but he could only reserve his final opinion on the subject for the present. A considerable proportion of the total production, viz. some 300 tons, was now being sold to monopolies under existing agreements. The quota system presented no difficulties in such cases. It was a more difficult matter to decide whether the quota system or the free order system was the more readily applicable in the case of opium required for the manufacture of drugs. Could the Secretariat supply details regarding the supply of opium to countries manufacturing drugs?

Mr. RENBORG (Acting Director of the Opium Section) said the Section was preparing a document with an analysis of the export trade, which should meet Mr. Bourgois' requirements. In preparing this document the Secretariat had met with two main difficulties. In the first place, there was a considerable discrepancy between the export figures of the opium-producing countries and the import figures of the countries to which the opium was sent. In addition, there was a re-export trade, which increased the difficulty of ascertaining the real origin of the opium.

Sir Malcolm DELEVINGNE said that page 17 of the English text stated that the purchasing country in furnishing its estimate must state the quality of the opium required and the country in which it was to be purchased. The controlling authority was to take that indication into account as far as possible in allotting quotas to the producing countries. How could the controlling authority modify the fixed proportion allotted to a producing country? Once the world's total requirements were established, it seemed to him to be merely a question of working out arithmetically the portions to be allotted to each country.

Mr. RENBORG (Acting Director of the Opium Section) replied that, in outlining the quota system, the Section had allowed for the desire of the consuming countries to obtain the opium required from specified countries. It was thought that an arrangement of this kind would facilitate the adoption of the quota system by consuming countries. It might, however, lead to excess for one
/country

country over its quota, in which case there would have to be a transfer of orders to a country, the quota of which had not yet been filled.

The controlling authority would have to negotiate such transfers with the consuming and producing countries concerned. The position was explained in the last paragraph on page 17.

Sir Malcolm DELEVINGNE thought the quota system would work quite simply without the complications introduced by the two paragraphs on page 17. Each country could produce a definite quantity, and the consuming countries could purchase opium within the limits of the quantities available. That would introduce a certain amount of competition, which might not be undesirable. If a country wanted a particular kind of opium of which none was available, it would have to accept some other kind. The complications introduced in the two paragraphs in question would be better dropped.

Mr. BOURGOIS (France) said that in any decision as to the merits of the quota system or the free order system it should be borne in mind that the matter was of secondary importance to the consuming countries, but of very great importance to the producing countries -- particularly in connexion with the social aspects of the question.

Mr. GAVRILOVITCH (Yugoslavia) welcomed Mr. Bourgois' reference to the social aspects of the question in the case of the producing countries. He suggested that a detailed discussion of the two systems proposed might suitably take place under Annex I.

Mr. SADAK (Turkey), as the representative of a producing country, associated himself with Mr. Gavrilovitch's remarks.

Dr. CARRIERE (Switzerland), as the representative of a consuming country, preferred the quota system wherever it could be made to work. Anyone who attended the Limitation Conference would remember why the system had been abandoned.

In common with Mr. Bourgois, he was not prepared for the moment to express any definitive opinion as to the two systems. He might wish to speak on the

/subject

subject later. The third system was a combination of the quota system and free order system, and as such would be likely in his opinion to give rise to difficulties.

Mr. BOURGOIS did not think the difficulties of the quota system were necessarily insuperable. He had pointed out in his note (O.C./Confidential/16) that the difficulty under the quota system in connexion with the limitation of manufacture did not apply to the present case. The conditions peculiar to the cultivation of the opium poppy were such that it was in the interest of few countries to engage in it. The position in regard to crops and markets, as already embodied by some poppy growing countries in commercial agreements, might serve as a basis for quota negotiations.

Mr. BAHRAMY (Iran) said he was attending the Committee for the first time, and was not an expert on the subject. He saw the difficulty of the quota system, and wished to make reservations as to the attitude of his Government, which he hoped to be in a position to indicate later.

Dr. HOO Chi-Tsai (China) said his Government was in favour of the quota system as the most equitable arrangement.

The CHAIRMAN observed that the Committee was not called upon immediately to take a decision. It appeared to him that opinion in the Committee was on the whole in favour of the quota system.

Sir Malcolm DELEVINGNE drew attention to the footnote on page 17 in regard to the heavy over-estimating of requirements under the Limitation Convention of 1931. The estimates were now much closer to real needs than was formerly the case.

Mr. STEINIG said that the extent of the over-estimates in respect of morphine for conversion was 51% in 1934, 44% in 1935, and 26% in 1936. The figures showed a considerable improvement, though of course an over-estimate of 26% was still considerable.

/Mr. BOURGOIS

Mr. BOURGOIS (France) did not think there was any danger of excessive estimates of raw opium requirements, if certain measures were taken in the producing countries as suggested on page 14 of his note.

Mr. RENBORG (Acting Director of the Opium Section) said that, if countries were compelled to purchase the quantities stated in their estimates, there was not much danger of over-estimating. There might even be a danger of under-estimates.

Dr. CARRIERE (Switzerland) suggested the rewording of the footnote on page 17 so as not to give the impression that over-estimating was a feature of the Limitation Convention.

Mr. AMAU (Japan) said that, after listening to the various speeches, he had been much impressed by the difficulties inherent in the quota system. The latter could not be successful, unless there were a Government efficient enough to exercise complete control over production and consumption in the country; and it could not be effectively enforced, unless all the consuming and producing countries were included. That at any rate was his personal opinion: but he had not yet received instructions from his Government.

Mr. GAVRILOVITCH (Yugoslavia) asked what changes would be involved in the document prepared by the Secretariat on the basis of the quota system (i.e. on the basis of agreement between the producing countries), if some other system was adopted.

Mr. RENBORG (Acting Director of the Opium Section) said that the Secretariat had not had in mind that quotas should be left to the agreement of the producing countries alone. The last sentence on page 15 made it clear that a settlement in this matter of quotas was contemplated as part of the preparatory work before the Conference met.

Mr. GAVRILOVITCH (Yugoslavia) asked whether, in the event of a quota system being adopted, the percentage for each producing country would be inserted in the Convention.

/Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Section) said that this was one of the most delicate points in the proposed Convention. The Secretariat had not endeavoured to indicate any solution, which, he thought, went beyond the Secretariat's task. The two possibilities which seemed to offer themselves as basic for the quota were (1) a voluntary agreement between the producing countries, and (2) an agreement on the basis of past experience, i.e. on figures of acknowledged imports from producing countries.

Mr. GAVRILOVITCH (Yugoslavia) was in favour of quotas being included in the Convention.

Mr. MIHAILOVITCH (Yugoslavia) pointed out that the same difficulty had been encountered in the negotiations between Yugoslavia and Turkey. It was found that the only solution was to base the quota agreement on statistics of imports drawn up by the League.

Mr. RENBORG (Acting Director of the Opium Section) took note of Mr. Gavrilovitch's suggestion that the quotas should be inserted in the Convention. That could of course be done: but, if so, there must be provision for a revision of quotas, and any such provision would necessitate renewed negotiations, which might involve further difficulties.

Dr. HOO Chi-Tsai (China) thought it was desirable before fixing quotas, to estimate the total world production. According to the document under discussion, the countries were themselves to fix their estimates. He did not think requirements should be based on unilateral statements. There ought to be some agreement to effect a reduction in the imports of opium-smoking countries -- failing which, the Convention would be no more than a commercial agreement and would not attain the humanitarian object referred to on page 20.

The CHAIRMAN thought everyone would agree with Dr. Hoo on that point.

III. Obligations of Producing and Consuming Countries and Powers of the Controlling Authority (pages 21/22)

Mr. RENBORG (Acting Director of the Opium Section) said the second paragraph on page 21 should read "... under an obligation (1) not to exceed the quota of production, (2) not to export", etc.

/Mr. FULLER

Mr. FULLER (United States of America) thought the Convention should lay down principles which would:

- (1) provide for absolute, complete and entire independence of any control body vested by the Convention with authority;
- (2) provide a business-like and specific arrangement whereby the parties to the Convention accept responsibility for and agree to pay each their fair share of the cost of implementation through machinery set up by the Convention.

Mr. BOURGOIS (France) thought the only figure which could be fixed by the Convention would be the quota of exports. If the controlling authority saw that stocks were increasing, it would come to an agreement with the countries for a decrease. No limit would be fixed for the area to be sown: but the subject would be discussed by the controlling authority with the countries concerned. He reminded the Committee that the output depended on the quality of the seed, nature of the soil, weather conditions etc.

Mr. RENBORG (Acting Director of the Opium Section) understood Mr. Bourgois to mean that only the export quota could be inserted in the Convention. He agreed; but he assumed the Convention was intended to cover the total production of raw opium. The producing countries would therefore have to submit estimates of their own internal needs (i.e. for non-medical purposes). He was thinking e.g. of Iran and India.

Mr. BOURGOIS (France) explained his point by reading passages from his note (O.C./Confidential/16). Under the system he proposed, the Convention would not fix the actual areas to be sown, but would allocate sales quotas to producing countries and limit their total exports in accordance with world requirements. As regards the areas to be sown, the Convention would establish the principles of the agreement to be arrived at between the controlling authority and the producing countries. A certain control over sowings would thus be attained.

Mr. RENBORG (Acting Director of the Opium Section) asked Mr. Bourgois whether he proposed that the control in question should be exercised before the areas were sown, or after the harvest had been gathered.

/Mr. BOURGOIS

Mr. BOURGOIS (France) answered that the estimates of sowings would be prepared in the same way as estimates of manufacture. But the work of the controlling authority in relation to area to be sown would be too difficult, inasmuch as it would have to take into account such factors as yield, soil, quality of seed, climatic conditions etc.

Dr. HOO Chi-Tsai (China) pointed out that, if there was no limitation of the area sown, there might be a considerable surplus production, which could not be exported; and the producing countries concerned might then be tempted to encourage non-medical consumption in their own countries.

Mr. BOURGOIS (France) replied that in the first instance the Convention would fix the maximum area to be sown. Thereafter, if stocks increased over a period of three years, the controlling authority would be in a position to demand a reduction.

Mr. CARNOY (Belgium) thought there should be a definite relation between the area sown and legitimate needs. Otherwise there was a considerable danger of the illegitimate use of opium in the producing country.

Mr. BOURGOIS (France) pointed out, in reply, that it was in order to meet this objection that he had proposed three measures, namely:

- (1) the fixing of the maximum area sown;
- (2) supervision by the controlling authority;
- (3) discussion of estimates each year.

Col. SHARMAN (Canada) noted the statement on page 22 that under-production might lead to a shortage of supplies, and the assumption that Governments of consuming countries would take over the quantities estimated. That was a point which required careful consideration. Governments were not themselves buyers of opium; instead, they issued certificates to importers, and it was very difficult for importers to state their requirements eighteen months in advance. Suppose the importers over-estimated their requirements by one ton: the question then arose as to who should pay for the excess. The probable result would be that countries would under-estimate their requirements in order to be on the safe side.

/Mr. EMBIRICOS-COUMOUNDOUROS

Mr. EMBIRICOS-COUMOUNDOUROS (Greece), as the representative of a consuming country, agreed with Col. Sharman. The question was one which required very careful consideration. He made reservations as to whether his Government would be able to agree to the clause in question and expressed a desire to ascertain its point of view.

Mr. RENBORG (Acting Director of the Opium Section) said this point had not escaped the Secretariat, but it was felt that binding estimates were necessary. If producing countries agreed to limit their production, they should be given the possibility of disposing of such limited production. If, e.g. Canada submitted an over-estimate, the excess quantity would be put into stock and used to reduce the estimates in a subsequent year.

Dr. CARRIERE (Switzerland) observed that no State could be compelled to purchase more than it required. If a State over-estimated in one year, the difficulty would be overcome by putting the excess quantity to the account of the following year. Strict supervision of manufacturers would be required; and Governments would no doubt be careful not to over-estimate their requirements.

Col. SHARMAN (Canada) doubted whether the difficulty could be disposed of so easily. As he had already said, Governments themselves were not buyers in most countries; and the manufacturers would refuse to apply for permits for quantities estimated for in advance but actually not needed. In such a case, would the Government be compelled to take over and pay for the amount over-estimated? The result would be that countries would regularly under-estimate their requirements, and supplementary estimates would be inevitable.

Mr. RENBORG (Acting Director of the Opium Section) said the Secretariat had proceeded on the assumption that the estimates of consuming countries would be prepared by the Governments in close co-operation with the manufacturers. Under the Limitation Convention of 1931 the Governments themselves prepared the estimates. That arrangement being impracticable in the present case, manufacturers would have to agree to accept the amounts for which their estimates were made out. That might involve special legislation in certain of the countries concerned.

/Sir Malcolm DELEIVINGNE

Sir Malcolm DELEVINGNE thought the first point to decide was whether countries should, or should not, be compelled to purchase the quantities for which their estimates were made out. If it was agreed that they should do so, the rest was a question of machinery; and the difficulties should not be insuperable. He asked the British delegate whether, in the case of the United Kingdom, it would not be possible to make terms with the manufacturers, under which a manufacturer estimating for a particular quantity would be asked whether he agreed to take such quantity. That would safeguard the position of the control officer.

Major COLES (United Kingdom) appreciated the force of the point made by Col. Sharman; but he was inclined to agree with Sir Malcolm Delevingne that the question was rather a question of machinery in the consuming countries. He thought they could require manufacturers to guarantee to take up the quantities estimated. It might be made a condition that they should do so in the licences issued to firms permitted to deal in opium.

Col. SHARMAN (Canada) repeated that, if firms were compelled to take the quantity estimated, the result would be under-estimation.

Sir Malcolm DELEVINGNE did not see that this would be a disadvantage. Any additional quantities required could always be made up out of stocks.

Mr. BOURGOIS (France) said that in France the number of persons authorized to buy opium had been limited -- so much so that outsiders complained that a monopoly had been established! In these circumstances, if the firms authorized to buy opium did not agree to accept the amounts estimated, it would be easy to take their names off the list.

Col. SHARMAN (Canada) said he might himself be prepared to admit that under-estimation had its points: but the Secretariat did not seem to think so. In the document under discussion he observed a statement to the effect that the international controlling authority would have to examine estimates carefully in order to prevent under-estimation!

/Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Section) replied that the passage quoted by Col. Sharman referred to over-estimation as well as under-estimation. This sentence meant that the international controlling authority would have to study carefully the situation in the world as a whole, but not necessarily with reference to individual consuming countries.

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FOURTH MEETING

held on May 24th, 1938, at 3.30 p.m.

PRINCIPLES ON WHICH A CONVENTION FOR THE LIMITATION OF POPPY CULTIVATION AND OF THE PRODUCTION OF RAW OPIUM MIGHT BE BASED. (O.C./Confidential/27.)
(Continued).

IV. Question of dates in regard to the estimate system

Sir Malcolm DEEVLINGNE (Expert) thought that three months might be too short a period for the work of the controlling authority. It was the period allowed under the 1931 Convention for the examination of drug estimates by the Supervisory Body; but the latter found it too short in practice, and had now requested that it should be extended to four months.

There would scarcely be sufficient time for the arrangements regarding the estimates from producing countries (described in the second paragraph on page 23) to be carried out. The alternative suggested on page 11 would be preferable.

Mr. RENBORG, the Acting Director of the Opium Traffic Section said in working out the time-limit the Secretariat had been anxious to keep the period as short as possible. The number of countries to be dealt with would be fewer under the proposed Convention than under the Drug Limitation Convention. Time could also be saved by telegraphing decisions.

With regard to the possibility of producing countries submitting estimates of areas to be cultivated, he explained that under the proposed scheme such countries would be informed by 1 July of the quantity of opium to be produced. The competent authorities in the producing countries would then immediately make the necessary calculations and decide on the number of hectares to be cultivated. They could then telegraph without delay to the International Controlling Authority. It would not be necessary for Governments to communicate with the cultivators in their respective countries before working out estimates.

The views of the Yugoslav representative might be of interest, as Yugoslavia had practical experience in this connexion.

Dr. GAVRILOVITCH (Yugoslavia) was not clear how the scheme described by Mr. Renborg was intended to work.

/Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Traffic Section) said it was proposed that consuming countries should submit estimates of requirements to the controlling authority. The latter would then calculate the total quantity required, and allocate the amounts to be produced by the various producing countries. Producing countries would either telegraph an estimate of the area to be cultivated, or they would submit an estimate concerning the approximate output per hectare on which the area to be cultivated would be based. The latter estimate would be forwarded at the same time as the estimates from the consuming countries. The controlling authority would communicate the results of its examination to the Governments of the producing countries by telegram and issue its annual statement immediately.

Dr. GAVRILOVITCH (Yugoslavia) said it would be difficult for producing countries to send in estimates, because the produce from any given area might vary very considerably. It was in any case essential that the final figures decided on by the controlling authority should reach producing countries as early as possible so as to leave sufficient time before crops were sown at the beginning of September. The figures given by the Controlling Authority formed the basis of the Government's negotiations with cultivators.

The CHAIRMAN thought the question of dates might be dealt with in a sub-committee.

Sir Malcolm DELEIVINGNE did not think there was any real difference between the two methods suggested. Once the basis on which production was to be allotted was known, the necessary calculation could be made without difficulty.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said it was true they were dealing with an agricultural product which was subject to great variations. The Committee might of course decide to have no international control over areas, but merely ex post facto control on the basis of statistics. The Secretariat regarded estimates from producing countries as a form of international control, which would be in the interests of all parties to the Convention whether consumers or producers. Moreover, estimates of areas would be based on the law of averages. Statistics of the output per hectare in recent years were already available.

/One function

One function of the regulating stocks would be to absorb excessive opium in years when there were large crops, and to add to the amount in lean years.

V. The question of stocks kept in producing countries.

Mr. BOURGOIS (France) wished to know the views of the Committee on the question whether stocks should be in the hands of the State. Unless that was done it seemed to him, there would be no effective guarantees for control in countries where there were thousands of peasant cultivators. There should either be a State monopoly or a system of State-purchase, official sales offices, or State warehouses. If peasants were given some form of payment for stocks handed over by them, it would be in the interest of the State to limit production. Could the Yugoslav representative give the Committee information regarding the practice in his own country?

Mr. RENBORG (Acting Director of the Opium Traffic Section), said that the question was dealt with on page 34, under the heading "National Supervision and Control" and also in Annex II.

Dr. GAVRILOVITCH (Yugoslavia) said that the stocks in Yugoslavia were almost entirely in the Government's hands. Cultivators sold their supplies to the Export Monopoly ("Prizad") in Belgrade. In the past peasants used to hoard opium as though it were gold. They still occasionally kept a little, and it was not unknown for a father to include opium in his daughter's dowry. Nowadays, however, it was to the peasants' interest to sell each year to the Government, as the latter offered good prices; and, if cultivators kept opium, it was often difficult for them to dispose of it in the following year.

Mr. ERKAN (Turkey) said that the system advocated by Mr. Bourgois was already in force in Turkey, where the Government bought direct from the peasants.

Mr. RENBORG (Acting Director of the Opium Traffic Section) asked whether the peasants in Turkey were obliged to sell the whole of their supplies to the Government.

Mr. ERKAN

Mr. ERKAN (Turkey) said that they were encouraged to do so; and, in fact, 90 per cent did sell their supplies to the Government.

Colonel SHARMAN (Canada) said that the need for reserve stocks was obvious, as it was impossible to know what the produce from a given area would be. The document before them referred solely to stocks in producing countries. Had the question of the maintenance of reserve stocks in non-producing (re-exporting) countries -- like the United Kingdom been considered?

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that, as had appeared in the discussion on the previous day, the scheme provided for estimates of reserve stocks and Government stocks from consuming countries; but no provision had been made for a maximum level of such stocks.

Mr. BAHRAMY (Iran) said that a monopoly had existed in Iran for the past eleven years; and four years ago a law was passed making it obligatory for cultivators to sell to the State.

Mr. BOURGOIS (France) wondered whether the representatives of Iran and Yugoslavia could give the Committee information as to how the peasant handed over his supplies to State. Did he merely deposit the opium in State warehouses? Did he sell it to the Government for cash? Did he receive some kind of Government bond in return, or what?

Dr. HOO Chi-Tsai (China) observed that once again two questions had been raised at the same time. On the previous day he asked whether it was proposed that importing countries should also have a fixed maximum level for stocks. The Acting Director thereupon explained that no such suggestion was made in the document before them. It was suggested that a level should be fixed for stocks kept in producing countries but no such suggestions had been made in regard to stocks in consuming countries. He deprecated any discrimination between producing and consuming countries.

/Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that under the 1931 Convention the estimates submitted by Governments were supposed to show reserve stocks, and the amounts by which it was intended to increase or reduce the same in order to keep them at the desired level... The Supervisory Body discussed these estimates and, if it considered them excessive, made suggestions for their reduction to the Governments concerned. The Secretariat's intention was that the controlling authority under the new Convention should have similar powers. Dr. Hoo apparently thought that maximum levels should be fixed; but it was difficult to foresee how such a system could be applied in practice to a large number of consuming countries which required opium in varying quantities.

Mr. BAHRAMY (Iran), in reply to Mr. Bourgois' question, said that under the system in force in Iran, cultivators were paid cash down, and received a higher price than they would obtain in the market.

Dr. HOO Chi-Tsai (China), in reply to Mr. Renborg, said that provision was already being made for regulating stocks in each producing country. Stocks in consuming countries could be based on a percentage of annual requirements.

Dr. MIHAILOVITCH (Yugoslavia), in reply to Mr. Bourgois said that in Yugoslavia the sale and purchase of opium were in the hands of a licensed company set up by the State, which was under obligation to buy all the opium offered by the peasants at the local markets. The supplies were paid for in cash on the spot, their morphine content being roughly estimated by an expert. A new estimate was made for large quantities, when the supplies reached Belgrade, on the basis of an analysis; and if there was any discrepancy between the two estimates, the necessary adjustments were made.

Mr. BOURGOIS (France) said that such a system seemed to offer ideal guarantees; and he would like to see it embodied in the new Convention.

/The CHAIRMAN

The CHAIRMAN asked the Iranian delegate what he meant by saying that the prices paid by the State for opium in Iran were higher than those which could be obtained "in the market".

Mr. BAHRAMY (Iran) replied that he meant "in the illicit market". The system he described had been found very effective in preventing leakages into the illicit traffic.

Mr. ERKAN (Turkey) said that in Turkey the State monopoly paid cultivators approximately 80 per cent of the value of their produce on the spot, and the remainder after analysis. The monopoly never bought through intermediaries.

Sir Malcolm DELEIVINGNE said that reserve stocks in producing countries would have a regulating value, whereas in consuming countries their purpose was that of any other stocks held by manufacturers. The problem in the latter case would be the same as that already dealt with by the Supervisory Body under the 1931 Convention, and would present no particular difficulty.

Dr. Hoo had referred to the question of fixing a maximum level; but it was explicitly stated in the document before them (page 26) that what was contemplated was an average level over a period of years.

Could the Secretariat develop the point made in the last paragraph on page 24? The crops were harvested in July or August. Requirements for internal consumption in any one year might therefore be met at least partially from the same year's harvest.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said there were two points in the paragraph in question which should be kept separate. The first point was the knowledge the producing countries would have that out of any given year's crop they must meet export orders in the following year: and the second point was their knowledge that they must also produce certain stocks for internal consumption in the following year. The quantities intended for these purposes would not form part of the regulating stocks which served another purpose, and were not the same as ordinary reserve stocks.

Mr. BOURGOIS

Mr. BOURGOIS (France) was pleased to note the encouraging nature of the statements which had been made by the representatives of the chief producing countries. The Convention would register the existing state of affairs; and the only difficulty would be the evolution of a satisfactory system of accountancy.

VI. Effects of the limitation of production on raw opium prices

Dr. HOO Chi-Tsai (China) hoped that Chapter VI was only intended to deal with secondary effects of the proposed Convention. As stated on page 30, the limitation of raw opium production was "primarily undertaken for humanitarian reasons". The reference to a curtailment of raw opium production was rather vague. It was suggested that limitation of production might be combined with regulation of prices. It was, however, most important to realize that the main object of the Convention should not be the stabilization of prices, but the strict limitation of raw opium production to requirements for medical and scientific purposes.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that presumably the objects of the Convention would be explicitly stated in the preamble. They all knew that its purpose was to limit cultivation to the world's needs. Dr. Hoo's suggestion presupposed a decision regarding the use of raw opium for the manufacture of prepared opium. That was a point which was still under discussion.

Mr. ERKAN (Turkey) was glad to be able to inform the Committee that Turkey had already applied regulations which went much further than the proposals before them.

Dr. HOO Chi-Tsai (China) thanked Mr. Renborg for his explanations. He noted, however, that there was a reference in Annex A, page 67, to quota schemes for sugar, wheat, tea, rubber and tin. It would be very dangerous for the Committee to give the impression that they regarded opium as a product allowing of similar treatment.

Some reference might be added to the effects of limitation on consumption.

/Mr. BAHRAMY

Mr. BAHRAMY (Iran) supported Dr. Hoo. As a representative of a producing country, he wished to say that they were not there to protect commercial interests, but to pursue humanitarian objects.

The CHAIRMAN (Mr. CHODZKO, Poland), was sure all members, including the representatives of producing countries, agreed with the principle to which Dr. Hoo had given utterance.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that there was never any question of the Secretariat putting opium on the same footing as sugar, wheat etc. It was clearly stated on page 46 that "the position regarding opium differs materially owing to the dangerous nature of the article."

Mr. BOURGOIS (France) said that on page 30 it was suggested that the problem of combining the limitation of raw opium production with international regulation of raw opium prices might be considered by the Advisory Committee as a part of its preparatory work. He thought it was essential that the problem should be considered. Had the Secretariat already ideas on the subject which could be submitted to the meeting?

Mr. RENBORG (Acting Director of the Opium Traffic Section) said the Secretariat felt the question was a delicate one. They had drawn attention to the problem, and left it to the Committee to discuss. A study on the movement of prices had been prepared and would shortly be issued; but the Secretariat had thought that it was rather beyond the Secretariat's task to suggest a solution of the problem.

Dr. GAVRILOVITCH (Yugoslavia) felt that the author of the document before them was to be congratulated on the way in which he had dealt with a question which called for consideration from more than one angle.

The price of raw opium in Yugoslavia was very low: it ranged from 200 to 220 dinars per kilogram. It had been calculated that 1 kilogram of raw opium represented the result of 25 days' work, each day consisting of 14 to 16 working hours. The rate of payment therefore was approximately 8 dinars (or 0.70 Swiss francs) a day! That was an extremely low return for a peasant who generally
/had a

had a family to support. The wholesale price of morphine was approximately 300 Swiss francs per kilogram. The retail price was approximately 3,000 Swiss francs per kilogram.

It would be apparent from these figures how necessary it was that the price of raw opium should be increased. That could be done without any change in the price paid by the ultimate consumer, if the wholesale price of manufactured drugs was increased. The question of price was closely connected with the problem of illicit traffic. A higher price on the legal market made contraband less tempting.

Dr. HOO Chi-Tsai (China) thanked the Chairman for his reference to the Committee's unanimity in regard to the principles on which the proposed Convention was to be based. A statement of such principles in the preamble would not be enough. They must permeate the whole Convention. Mr. Renborg had referred to the paragraph on page 46 pointing out the difference between opium and other products, such as wheat. That paragraph mentioned the danger of opium escaping into the illicit traffic. At the risk of repeating himself, he would say that the object of the Convention should not be primarily to suppress contraband, but to limit the production of opium to medical and scientific requirements. He would however interpret the reference to illicit traffic in the light of the statement which had been made at the Bangkok Conference, to the effect that the contraband trade was an obstacle to abolition.

Colonel SHARMAN (Canada) said that as a representative of a consuming country he was sure that consumers did not wish to receive their medicaments at prices which were unfair to anybody. He had, however, been impressed by the number of angles from which the problem had already been viewed, and was opposed to an extension of the discussion to the question of international regulation of prices.

Mr. BOURGOIS (France) said that the question of price regulation had been studied at the 1931 Conference; but no decision was reached. The question was important for producing countries, but not for consuming countries, where the price of raw material had little effect. In an ampoule of morphine costing 5 francs there would perhaps be 5 centimes' worth of opium. When one

/considered

considered that the doctor probably also charged the sum of 20 francs for making the injection, it would be realised that the total cost bore very little relationship to the cost of the raw material. Subject to certain reservations, he thought the Committee should discuss the question from various angles, and reach a decision before the proposed Conference took place.

The CHAIRMAN (Mr. CHODZKO, Poland) said that the question of price had been raised in the Fifth Committee of the Assembly, and the Advisory Committee had discussed the problem and reached the same conclusions as Mr. Bourgois. Those conclusions were borne out by the fact that the cost of manufacturing morphine from poppy straw was almost the same as the cost of obtaining morphine from raw opium.

VII. Supervision and control

a. (1) International Supervision and Control.

Mr. BOURGOIS (France) explained the form of supervision and control proposed in his note on the Limitation of the Cultivation of the Opium Poppy (document O.C./Confidential/16), in connexion with:

- a) the determination of world requirements,
- b) the allocation of cultivation, and
- c) the allocation of production.

Sir Malcolm DELEVINGNE asked whether the proposed International Statistical Office would be separate from the International Control Body. There were already three international opium bodies in existence, and the establishment of a fourth would be likely to arouse outside criticism.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the statistical work involved would be very complicated, but might be done by the Secretariat of the Control Body.

Mr. BOURGOIS (France) thought the Supervisory Body could do the work.

Sir Malcolm DELEVINGNE pointed out that ex post facto control over statistics was exercised by the Permanent Central Opium Board.

/Mr. DEIGORGE

Mr. DEIGORGE (Netherlands) asked whether the controlling authority would have control over poppy straw production.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the question whether poppy straw as a raw material fell under the provisions of the 1931 Convention concerning control of raw materials had been studied a few years ago by the Secretariat. The Advisory Committee had accepted the conclusions of the Secretariat which were in the affirmative.

Mr. SADAK (Turkey) reserved the right to make proposals regarding the representation of producing and consuming countries on the proposed controlling authority.

Dr. GAVRILOVITCH (Yugoslavia) asked why reference had been made to quantities seized.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that, if the controlling authority was to have complete control, it must be informed of quantities found to have passed into the illicit traffic. Figures relating to seizures were already available.

Dr. GAVRILOVITCH (Yugoslavia) reserved the right to raise the question of the destruction of quantities seized.

(2) Application of the Import and Export Certificate System.

No remarks.

(3) Special Annual Reports by Producing Countries.

No remarks.

(b) National Supervision and Control.

1) Complete State Monopolies in Producing Countries.

Mr. FULLER (United States of America) asked whether it was proposed that countries cultivating poppies for morphine or opium should be obliged by the Convention to establish State monopolies.

Mr. RENBORG (Acting Director of the Opium Traffic Section) explained that the Secretariat suggested there should be State monopolies in all countries producing opium.

Mr. FULLER

Mr. FULLER (United States of America) then made a statement in the following terms:

"It seems to me that this Committee would save a great deal of time and would be more likely to render its work effective, if we were to have at the outset a more precise and definite understanding of just what we are trying to get at.

"Yesterday, there seemed to be uncertainty whether we were to consider limitation and control of papaver somniferum which is raised for any purpose other than the production of raw opium. As there are a great many people who think that a Convention to limit the production of raw material would be perfectly futile unless it included provisions governing the limitation and control of papaver somniferum which is raised for the production of morphine, it would seem important to have, at the outset, a clear understanding of the purpose which it is desired to accomplish by the Convention for inclusion in which this Committee is to recommend principles.

"In last year's session on June 3rd, 1937, I pointed out in this Committee that any convention on this subject 'should include consideration of limitation and control of papaver somniferum for morphine extraction and of raw opium for all purposes.'

"The Advisory Committee, in its report to the League Council on the work of its 22nd Session, League Document No. 1708(1), recorded the following decision among others: 'That the Secretariat, on completing the necessary material and studies, should prepare for the Committee a document containing an outline of the general principles on which a convention for limiting and controlling the cultivation of the opium poppy and the production of raw opium might be based.' That does not limit the consideration of the opium poppy to poppies intended for the production of raw opium.

"In view of these circumstances, I would like to make a suggestion that the Committee take up at the outset of its discussions the question of agreeing upon a principle to be advanced for embodiment in the proposed convention of a clear and explicit statement setting forth the objects of the convention. If such a principle were to be agreed upon now, much more practical and effective consideration could be given to the proposals which we have now before us in document No. O.C./Confidential/27 concerning details.

/"It is

"It is submitted that this basic principle should be that the objects of the convention are:

"To suppress the abuse of narcotic drugs.

"To supplement the Hague Convention of 1912."

"It was intimated yesterday and has several times been flatly stated today that, in calling for consideration by the Committee of the question of limiting and controlling papaver somniferum raised for the purpose of extracting morphine therefrom, I was going beyond the competence of the Committee at the present time and that I was asking for an extension of the Committee's terms of reference. --I wish to point out that I have not asked and am not now asking for any extension of anything. I have merely inquired and am now inquiring whether the suggestion advanced by my Government which, at its last meeting, the Committee agreed to study and discuss is going to receive any consideration."

Mr. GAVRILOVITCH (Yugoslavia) said that he had listened with great interest and sympathy to the statement made by the United States representative. The question of monopolies was of the first importance. They represented the most effective means of achieving the object which the Committee had in view. Producing countries would have to make new sacrifices; but they were considering the proposal with all the sympathy it deserved. The Yugoslav representative would be glad if the Committee could also solve certain other questions which arose in the same connexion.

The CHAIRMAN (Mr. Chodzko, Poland) said that the Secretariat would have to study the necessary documentation before it could comment on the proposals which had just been made. The very interesting observations which had been made by various members would of course receive consideration by the Committee.

Appointment of Sub-Committee to Discuss Annexes I and II to Document O.C./Confidential/27.

It was decided to appoint a sub-committee consisting of representatives of United Kingdom, Canada, China, United States, France, Hungary, India, Iran, Japan, Netherlands, Siam, Switzerland, Turkey, Yugoslavia, together with Sir Malcolm Delevingne (Expert), to discuss Annexes I and II to Document O.C./Confidential/27 and to submit definite conclusions.

FIFTH MEETING

held in Geneva on May 31st, 1938, at 3.30 p.m.

LIMITATION IN TURKEY

Mr. Hamza ERKAN (Turkey) made the following statement:

"Poppy growing and therefore opium production have of recent years undergone two very serious restrictions in Turkey.

"The first restriction occurred when the Turkish Narcotic Drugs Monopoly was established.

"In the belief that after Turkey's accession to the International Conventions the country's exports would decrease in certain proportions and in the desire to adjust Turkey's output to the League of Nations estimates for world consumption and to the Turkish share therein, the Government limited the area under cultivation. Under the system of free cultivation the country easily produced 450 to 500 tons; as limited, it cannot now produce more than 250 to 300 tons per annum.

"When years of good and bad harvest succeed one another, differences must clearly arise, and the average over a longer or shorter period would vary from the mean quantities above defined. This is what has happened during the last four years in which the average amounted to only 217 tons.

"(Turkey's annual output in free cultivation years was estimated by Zukowski at 400 tons and Zender in League of Nations document O.C.877 at 566 tons).

"Formerly the poppy was grown throughout almost the whole of Turkey (62 departments), but after the first limitation the number of departments allowed to grow the poppy was reduced to seventeen. In some vilayets this authorization is not even general. The poppy can only be grown in certain districts.

"This shows clearly the great sacrifice made.

"If our country could, nevertheless, have sold 300 tons per annum we should have regarded ourselves as fully satisfied. But the result was quite different. Turkey has been able to export only about 470 tons of opium in the last four years, or an annual average of 117 tons. That is the result of our sacrifice. This average is only about a third of the former annual average exports of Turkey.

"Not only has Turkey found her exports decrease considerably, but these exports have also been effected at extremely poor prices such as have never been known in the history of our trade. In recent years our opium

/has been

has been sold at only about one-half of the former market prices. If a comparison is made with the value of the opium sold rather than its amount, the annual average might easily be estimated as not exceeding 50 to 60 tons in recent years.

"This state of affairs has imposed both on the Government and on growers further serious burdens and sacrifices. The Government has been forced to buy, through the Monopoly, the crops of growers who found themselves in difficulties, though it knew that it would be unable to export it all. Not to have bought the crop would have been to deprive many growers of their only means of livelihood.

"The first limitation adopted reduced poppy-growing more particularly in multiple-crop areas, and only permitted it to the extent of 70% - 80% in areas where single-crop farming was compulsory because of special conditions of soil and climate. The inhabitants of these areas are the most impoverished in Turkey. The price received for their opium neither repaid them for their trouble and outlay nor gave them the profit they were entitled to expect.

"In fixing its domestic purchase prices, the Monopoly has to base itself on the prices obtained for its sales abroad. As it could export only part of the opium purchased, it was naturally obliged to adhere to a low price. This situation unhappily still prevails, with all the hardships which it involves.

"The continuance of this situation led to a second form of limitation. Some of our peasants stopped growing the poppy immediately they realized that they might earn more by growing other plants in the better sections of their farms.

"Following the recent establishment of sugar factories in poppy-growing areas, many peasants have begun to grow the sugar-beet, while others have turned to cotton and tobacco-growing.

"Finally, another section of our farmers still grows the poppy, but only for seed, disregarding the opium; they prefer to do this more especially in years when there is a good sale for seed.

"Those peasants, however, whose land is not suitable for other crops are still obliged to grow the poppy and extract the opium; this category represents the greater part of the population in the existing areas of production. Here too, however, production has failed to maintain its

/former

former volume. In years when opium earned a bigger profit the poppy was grown and opium produced on a much greater scale. Owner-farmers not only worked themselves, but, in view of the size of the crops and the favourable level of profits, were able to engage paid labour. As current opium prices do not permit of the employment of labour, they grow as much as they and the members of their families can work themselves. As can easily be imagined, this state of affairs has greatly affected their situation.

"The peasants in these districts who use poppy oil only because of their poverty prefer to grow merely the amount sufficient for their own consumption. If their crop is not large they collect all the opium; in the contrary case they merely collect part and leave the rest.

"The depression is not confined to the farmers alone; it also affects the labourers who worked on other people's farms. In some districts, particularly where the farms are very small, impoverishment is such that peasants who used to cultivate the poppy have been obliged to give up their land and their homes and seek work in the neighbourhood towns.

"For a better idea of the situation of the opium industry in our country it may be useful to reproduce extracts from the report of a survey made by our Monopoly in 1936.

.....
"1936 was a particularly good year for poppy growing. The abundant yield was not due to an increase in the area under cultivation, but was the consequence rather of climatic conditions. It has, nevertheless, not led to a larger production of opium, for, with prices so extremely low, the grower thought it useless to gather the whole crop. In several places only 50% to 70% of the poppies were incised. If this average is applied to the whole country it gives only 20% to 25% of the area under cultivation.

.....
"Opium is no longer a commercial crop of primary importance as it used to be, but, in view of the new importance assumed by seeds and oil, is now a secondary crop. The latter products are now considered to be absolutely essential. The grower tries to obtain them in order to cover his primary necessities.

"A survey of the cost price of opium leads us to believe that the definitely unprofitable rates now current will induce farmers to abandon poppy-growing, but the oil requirements of extensive areas make it impossible to achieve this result completely.

.....
/:"In single-crop

"In single-crop areas, which means most of the poppy-growing country, the situation is exactly as above described."

"In these areas the peasant automatically grows the poppy and continues to do so to the extent of his resources. He will continue to grow it so far as family labour is available. As he is quite willing not to allow for the value of his own labour, he will equally omit to calculate the cost price of his production and will sell it at the first price offered.

.....

"Including the incision operation, the labour of a large family is usually sufficient for the careful cultivation of one decare, and the less careful cultivation of $1\frac{1}{2}$ to 2 decares of land. To cultivate the amount of poppy necessary for a family's needs in oil, the same labour is amply sufficient, as the amount of land necessary for obtaining this quantity of oil will not exceed $1\frac{1}{2}$ to 2 decares.

"In many districts, particularly where the farms are small and the population naturally continues to grow opium, this forced production of seed and opium will continue.

"The decline is more particularly marked in districts where beets, cotton or tobacco can be grown, and particularly in districts suitable for the production of oil-bearing plants.

"As might be expected, this movement began more particularly on the farms outside large towns and villages, which are generally more fertile and better suited to the growing of other crops.

"It is also presumed that this decline will manifest itself in districts where the growing of the aspir, a kind of oil-bearing plant approved by farmers, is being developed. In all probability this movement, which has started in the Kutahya Vilayet and is encouraged by the authorities, will shortly spread to the Vilayets of Eskisehir and Balikesir.

"Other experiments made on the same lines with sun-flowers have apparently not satisfied the peasant.

"In most districts growers stated that they would restrict their poppy crops, and that they were forced to do so; that they would plant one or two decares only, mainly in order to get the seed; that if they grew more, they would not incise all the poppies."

/"These

"These explanations show that opium production in Turkey has of recent years only been maintained by some peasants who are obliged by conditions and the nature of the soil to grow the poppy alone, and unfortunately this class leads a life of hardship. Owing to the fall in prices, they do not enjoy the comparative comfort which cultivation on a larger scale would afford them.

"The families affected in this way amount to about 80 - 90,000. Assuming that a family consists of about five or six persons, it is easy to estimate the number of persons who are impoverished. To this number must, of course, be added the peasants who worked for wages when poppy-growing was more extensive and profits more remunerative.

"The only way of improving their situation is to restore to them some at least of the comfort which they once enjoyed, by making their daily work more remunerative.

"It is clear that the situation of our country is not simply the result of a decline in world consumption.

"The larger stocks in Turkey are not due to overproduction exceeding the quota allotted to us in world consumption, but rather to the inadequacy of international co-operation to guarantee and enable this amount to be marketed.

"It is a well-known fact that the world consumption of medicinal opium, i.e. opium for the manufacture of narcotic drugs, fell by 50% between 1929 and 1930, though the upward trend still remained.

"The quantities of raw opium utilized for manufacturing smoking opium declined in almost the same proportion between 1927 and 1935.

"The quantities used for other purposes have remained steady.

"The decline in Turkish exports, however, is substantially greater than the proportions above mentioned.

"If Turkey had found her exports decline merely in the above proportions, she could have felt satisfied.

"This lack of correlation and disproportion in the various figures must be primarily and essentially attributed to the ineffectiveness and even the non-existence of international co-operation and of safeguards for legitimate rights. A further explanation is that, in a scheme of action which is certainly humanitarian, the various shares in the sacrifice to be borne by the parties concerned have apparently not been equitably allocated.

/"It is clear

"It is clear that a new international system of limitation can only be established if serious and equitable consideration is given to the above problems.

"Any new system of regulation on the above lines will find that Turkey has already made good progress in the path of denial and sacrifice, and, I am sure, will recognize her right to a much more advantageous situation than at present."

EXAMINATION OF DOCUMENT O.C./CONFIDENTIAL/34.

Major COLES (United Kingdom), Rapporteur, submitted his memorandum (O.C./Confidential/34) on certain questions of principle which had been raised in the discussion and which required further consideration. It was necessary to reach conclusions on these points in order to prepare a plan for submission to the Advisory Committee.

The points in question were as follows:

(1) It was necessary to have a clear understanding as to what the Convention was to limit and control, i.e. the cultivation of the poppy for the production of raw opium only or of any other raw material from which morphine was extracted. It had been suggested that the cultivation of the poppy for any purpose whatever should be limited, but no definite views had been expressed. When the idea of the conference first took practical shape, the only point of interest was the production of raw opium. It was not commercially possible at that time to produce morphine from other parts of the plant. The situation had now changed and would have to be dealt with.

(2) It was necessary to determine to what the production should be limited. Should it be limited to medical and scientific needs or, in addition, to legitimate requirements for smoking and eating? In accordance with the Advisory Committee's last report to the Council (C.285.M.186.1937.XI.) the terms of reference of the Conference would have to be sufficiently wide to include any problem relating to the production and use of the poppy plant and of opium.

(3) It was necessary to determine whether the Convention should contain provisions regarding the level of stocks in consuming countries.

(4) The producing countries had stated that they desired to raise the question as to a provision under which contracting parties not at present producing opium would undertake not to commence such production.

/RUSSELL PASHA

RUSSELL PASHA (Egypt) said he had listened to the discussions in the Preparatory Committee and Sub-Committee in the hope of being able to grasp the intricacies of a technical subject with which he was not well acquainted. Egypt neither produced nor manufactured opium, and her imports for medicinal purposes were very small. He had therefore hoped to glean some information on the technical questions of acreage, prices, cartels, etc., and to some extent he had done so.

He had, however, expected to hear a preliminary discussion and final decision on the broad principles of the proposed Convention. He was, however, not yet clear as to the basic principles decided upon. He would therefore ask what those principles were, so that he could render a clear account to his Government.

Had the following points been agreed upon:

(1) That a definite quantitative limit should be fixed for the amount of raw opium to be produced each year?

(2) That a limit should be fixed year by year?

(3) That the limit should be the sum of the requirements of the consuming countries (including the consumption of the producing countries) as certified by their respective Governments, subject to examination by a superior body?

(4) That, while it is impossible to fix a quantitative limit for the production of poppy-straw as being a by-product of the cultivation of the poppy for seed, effective means must be laid down to ensure that none of it is used (or exported for use) for the manufacture of dangerous drugs except by licence and under the supervision of the Government?

(5) That the execution of the Convention should, as in the case of the Limitation Convention of 1931, be supervised by a body to be constituted in manner laid down in the Convention and entrusted with such powers and duties as shall be specified in the Convention?

He quite realized that the final conclusions of the preparatory Conference must deal with these principles, but he would like to know whether they had already been agreed to.

Mr. DELGORGE (Netherlands) thought that answers should be given to these questions and hoped this would be done in the discussion of Document O.C./Confidential/34.

/Phya RAJAWANGSAN

Phya RAJAWANGSAN (Siam) said he was in the same position as Russell Pasha.

Mr. NIND (India) asked whether, when the Preparatory Committee was set up, no principles were laid down for the Committee to follow. He would like Russell Pasha's questions to be answered before Document O.C./Confidential/34 was discussed.

Mr. RENBORG (Acting Director of the Opium Section) referred the Indian representative to the Advisory Committee's report on its twenty-second session (C.285.M.186.1937.XII) containing (i) a summary of the discussions in the Advisory Committee and the Preparatory Committee, and (ii) an account of the decisions taken by the Advisory Committee, including instructions to the Preparatory Committee.

The CHAIRMAN opened the discussion on Document O.C./Confidential/34. Point I could not be discussed at the present meeting as the document on poppy-straw was not yet available.

Point II. The question of world requirements to which production is to be limited.

Mr. CARNOY (Belgium) said that if the production of opium could be limited to scientific and medical needs, the position would be ideal. He thought this was, however, impossible. An attempt should be made to limit the production of prepared opium to the quantities required by the monopolies. As regards the practice of eating opium, he did not know whether this was a dangerous or a fairly harmless addiction. He thought these were the points to be decided.

Mr. NIND (India) thought the Committee should be careful not to complicate its work. The primary object of limitation was to prevent surplus stocks, since these might go into the illicit traffic. It was therefore essential that not more opium should be cultivated than was sufficient for the licit trade, which had been well described in Mr. Bourgois's note. It was better that the Committee should confine itself to that amount of opium, and not state that the licit traffic only referred to opium for medical and scientific purposes.

/The first

The first step therefore was to limit the production of opium to the amounts which the Governments of the various countries considered that they required.

Colonel SHARMAN (Canada) associated himself with Russell Pasha's remarks.

He had listened with interest to the statement by the Turkish delegate, and suggested that it should be included in the Minutes in extenso.

As regards limitation, the Committee would remember the difficulties that arose in the three days' discussion in 1936. Those difficulties still existed. At the twenty-first session of the Advisory Committee (page 78) the Portuguese representative had expressed the opinion that limitation of the raw material should be attempted, and had said that the object must be to limit the production of the raw material to the quantities required for scientific and medical purposes. He agreed with that view, but thought the Committee could only hope for a decision at the Conference itself.

Mr. FULLER (United States of America) had some difficulty in expressing an opinion on Point II before Point I had been settled. He would therefore restrict his remarks to raw opium. The decision to be taken on the question of poppy straw might make a difference in his views.

In the first place he would make two assumptions: (1) that the main object was to suppress the abuse of narcotic drugs, and not to maintain a market in opium or to furnish work for peasants, and (2) that the other object was to supplement the Hague Convention.

Raw opium was used (1) for the manufacture of drugs -- primarily morphine, and also tinctures and medicinal opium, (2) for the satisfaction of addiction in a lawful manner through the opium monopolies, (3) for eating. On the last point no final opinion had been reached.

With regard to the manufacture of drugs, a limitation had already been brought about by the 1931 Convention, and it was obvious that the working of that Convention had reduced the production of opium.

As regards the second class, i.e. prepared opium for smoking, all the members were parties to a treaty which called for the gradual but effective reduction of the use of prepared opium to nil, and the proposed Convention should be drafted to reduce by a fixed percentage annually the raw opium available for that purpose.

As regards the third category, the position was not clear. If countries desired to use for eating raw opium produced within their own borders, a

/solution

solution might be found in legalizing this practice, and undertaking not to export any raw opium. He hoped that habit of eating it would eventually cease, as it could at any rate not be regarded as beneficial.

As far as the limitation of the production of raw opium was concerned, he had thought the producing countries would have put forward a businesslike plan, but they did not appear to have done so. He would have desired to hear their views on the reduction of production and of the enormous stocks. Their only suggestion had been to build up stocks in order to give work to the peasants, stocks which would eventually bring the price to a level that would force cessation of cultivation.

He pointed out that the consuming countries could, if they chose, cultivate the poppy and produce their own drugs, which would finally dispose of the matter as far as they were concerned.

Mr. MIHAILOVITCH (Yugoslavia) was of opinion that the four points mentioned in Document O.C./Confidential/34 were closely connected. As regards the extraction of morphine from poppy straw, he thought that, in considering the limitation of opium production, one should not lose sight of the extremely difficult position of the peasants, who had produced opium for many years. The Committee seemed to desire that the Governments of producing countries should partially prohibit their farmers from planting opium, while admitting that the extraction of morphine from straw should be continued. Anyone who had not taken part in the discussion would gain the impression that the producing countries must decrease the production of opium in order to enable an increased extraction of morphine from poppy straw. He suggested that, for the above reasons, the extraction of morphine from straw should be prohibited.

As regards the second point, it was indispensable in dealing with world requirements to distinguish between opium intended for medical and scientific purposes and opium intended for smoking or eating.

Dr. HOO Chi-Tsai (China) had already expressed his Government's view in the Advisory Committee and therefore would not repeat it.

As regards Point II in Major Coles' note, he agreed with Mr. Fuller. What should interest the Committee was the limitation of the production of raw opium. It was unnecessary to discuss the poppy, as it was grown for other purposes besides the production of opium.

/As regards

As regards the three purposes for which raw opium was used, the limitation in the manufacture of drugs was already provided for under the 1931 Convention, which was working satisfactorily. As to prepared opium, he had instructions from his Government to ask the Committee to decide that it should be reduced from year to year. At the Bangkok Conference the monopoly countries had agreed that the 1912 Convention provided for the suppression of the use of prepared opium but were unable to put this provision into effect on account of clandestine manufacture and smuggling. The Chinese Government proposed that the new convention should provide for the suppression of prepared opium in a period of five years. The last International Labour Conference had adopted a resolution recommending the suppression of opium smoking in a similar period by means of a reduction in the sales of prepared opium of one fifth each year. The Chinese Government desired to limit the production of opium to the manufacture of drugs for scientific and medical purposes while leaving a margin for prepared opium, which would at the beginning be equal to world requirements and would undergo a reduction of one fifth each year.

He noted from the remarks made in the Committee that there was a tendency to regard the new convention merely as an instrument of control. Such control, however, already existed under Article 2 of the 1925 Convention. The only result of such control would be to stabilize the price of opium. In view of the disastrous drop in prices in recent years, the effect of such stabilization might be in fact to increase the production of opium.

Mr. DELGORGE (Netherlands) entirely agreed with Mr. Fuller that the ultimate aim was to reduce the production and use of opium to the quantities needed for medical and scientific purposes. In the Netherlands Indies the use of prepared opium was permitted not because the Government thought it was good for the people or in the financial interests of the country, but because it was worse to prohibit opium smoking suddenly than to limit smoking gradually by means of a monopoly. In 1925 the Government was of opinion that, for the total suppression of opium smoking, it needed a period of fifteen years from the moment that the smuggling of raw opium had ceased to be a serious obstacle to total prohibition. He could not give an opinion as to whether it would now be possible to suppress opium smoking in a shorter period, for instance in five years as suggested by Dr. Hoo.

/His Government

His Government was willing to co-operate in the reduction of smoking as far as the actual conditions made a reduction possible but it was afraid to accept obligations under which the monopoly could not buy opium while large quantities were in the hands of the smugglers.

Major COLES (United Kingdom), Rapporteur, thought the discussion had helped him to clear up some points for his report. In the first place it appeared that all were desirous of ultimately suppressing the use of prepared opium for smoking but that this result could not be attained immediately. Production should, in the first place, be limited to licit requirements, i.e. (a) medical and scientific, and (b) smoking and eating. The latter would, if the Convention were successful, be gradually but effectively brought to an end. He assumed that this question was one which would have to be finally decided by the Conference.

Dr. HOO Chi-Tsai (China) referred to the protocol to the 1925 Convention which provided that the parties agreed to take such measures as might be required to prevent completely, within five years, the smuggling of opium from constituting a serious obstacle, to the effective suppression of the use of prepared opium. The question whether this undertaking had been completely executed was to be decided at the end of the said period of five years by a commission to be appointed by the Council of the League. The Commission in question had never been appointed, and it was for that reason that he made the proposal on behalf of his Government that opium smoking should be suppressed over a period of five years.

The CHAIRMAN was glad that Dr. Hoo had reminded the Committee of the Commission to be appointed by the League Council, but this matter was not of great importance at the present time. The duty of the Committee was to prepare a Convention which would result in real limitation. He thought it would be difficult for the present Committee to decide on a period of five years as this was a matter for the Convention itself. The important matter was that the Committee had reached a unanimous conviction that it was necessary gradually to reduce the use of prepared opium and to make a corresponding reduction in the production of raw opium.

/Dr. HOO Chi-Tsai

Dr. HOO Chi-Tsai (China) agreed that the present Committee could not decide a time limit, but he supposed the Committee would make a report recording the views expressed by various members. In that case he would be glad if his suggestion regarding a five-year time-limit could be included.

As to the Commission to be appointed by the League Council, he noted the Chairman's view that the duty of that Commission would be taken over by the Conference. But if, on the one hand, the Conference did not take on that duty and, on the other hand, the Commission in question was not appointed, no steps would have been taken to suppress the use of opium for smoking, and the real aim of the Conference would therefore be lost sight of.

Mr. BAHRAMY (Iran) agreed with Mr. Fuller and Dr. Hoo. As he had already pointed out the question should not be dealt with solely from the point of view of the producing countries. He agreed that the ultimate decisions would have to be taken by the Conference and that questions of such importance could not be settled immediately.

Point III. Question whether the future Convention should contain provisions for determining the limit of stocks to be kept in consuming countries.

Mr. BOURGOIS (France) thought the Convention should contain provisions limiting the stocks of consuming countries. Otherwise such stocks might be increased indefinitely. He would suggest using the word "limiting" instead of "determining".

Mr. DELGORGE (Netherlands) said it was a rule in all Conventions not to control Government stocks. These should therefore be excluded.

Dr. CARRIERE (Switzerland) thought the question related principally to countries consuming prepared opium. The limitation of stocks in countries manufacturing drugs was already provided for in the 1931 Convention. It might be said that that Convention placed an obligation on manufacturers rather than on Governments, but the Governments would have no interest in keeping large stocks. As regards countries consuming prepared opium he thought a provision should be included to the effect that stocks should not exceed a certain level.

/Mr. RENBORG.

Mr. RENBORG (Acting Director of the Opium Section) reminded the Committee that this question had first been raised by Dr. Hoo, who had considered that the stocks should be in a certain relationship to the annual consumption. He thought Dr. Hoo had raw opium in mind and not prepared opium.

Dr. HOO Chi-Tsai (China) agreed that the 1931 Convention dealt with the raw material for the manufacture of drugs. As regards prepared opium, a reduction of stocks in consuming countries would have a psychological effect in reducing opium smoking. If there was no limit to the stocks which could be held this might tend to prolong the duration of opium monopolies.

Mr. STEINIG pointed out that the 1931 Convention referred only to stocks of substances coming under the Convention, i.e. manufactured drugs, with the exception of Articles 16 and 17, which referred to raw materials.

Chapter II of the Convention laid down a system of estimates but did not stipulate any particular level for stocks of raw materials.

Under Article 5 the Supervisory Body had the right to require further information regarding these estimates and this constituted a sort of indirect limitation. It was, however, for Governments to fix the limits of their stocks. In practice, the Supervisory Body suggested the rule that stocks should not exceed a twelve months' supply. If, therefore, it was desired in the new Convention to limit stocks of opium in consuming countries, this could not be done by analogy with the 1931 Convention.

Mr. EMBIRICOS-COUMOUNDOUROU (Greece) thought this question was connected with the question of binding orders referred to on page 23 of Document O.C./Conf./27, Annex 1. Under that proposal countries would be obliged to purchase and put into stock any quantities for which they had sent in estimates, but which were not actually required.

Sir Malcolm DELEIVINGNE observed that no mention had been made of Article 24 of the 1925 Convention under which the Central Opium Board had the right to ask for explanations if excessive quantities of any substance covered by the Convention were accumulating in any country or if there was a danger of the country becoming a centre of the illicit traffic. He thought this provision went a long way to meet Dr. Hoo's desire that excessive quantities should not accumulate.

/Dr. HOO Chi-Tsai

Dr. HOO Chi-Tsai (China) pointed out that an actual limitation of stocks would go much further than this provision. There were certain loopholes in the existing control and no country would admit that it was in danger of becoming a centre of the illicit traffic. Moreover, some countries would be outside the Convention and could not be compelled not to export to a country where stocks were accumulating.

Mr. RENBORG (Acting Director of the Opium Section) pointed out that if the Convention provided for a limitation of stocks of opium, the duty of the Permanent Central Opium Board would be greatly facilitated, as the level on which it had to take action would be fixed in advance.

SIXTH MEETING

held at Geneva, on June 1st, 1938 at 10.30 a.m.

DISCUSSION OF POINT IV OF DOCUMENT O.C./CONFIDENTIAL/34:

QUESTION WHETHER THE FUTURE CONVENTION SHOULD CONTAIN ANY PROVISION UNDER WHICH CONTRACTING PARTIES IN WHOSE COUNTRIES OPIUM IS NOT AT THE PRESENT TIME PRODUCED, UNDERTAKE NOT TO COMMENCE SUCH PRODUCTION.

Mr. SADAK (Turkey) said that when the paragraph in the middle of page 3 of Document O.C./CONFIDENTIAL/27 had been discussed, he had asked for details and urged that countries which, up to a date to be fixed in the future Convention, had not been producing countries, should be forbidden to produce. The necessity was so evident that explanations were perhaps superfluous. It was only logical that when discussion was aimed at limitation of the cultivation of the opium poppy, new cultivation should be excluded. Further the nature of poppy cultivation was such that a country could not be compelled to embark on it at a given moment apart from social, political and economic necessities. Finally, the question was one of justice. Producing countries were making great sacrifices in order to achieve limitation of production. If the new Convention were to ensure such limitation, it should contain a stipulation of the kind described, and the international obligation should be enforced by national measures taken in the various countries concerned.

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) pointed out that Greece had been a producing country up to 1935. Without going into questions of principle, he would urge that his country should not be placed at a disadvantage as compared with other producing countries because, with praiseworthy alacrity, it had temporarily ceased cultivating the poppy. While specifically reserving the right to consult his Government -- he was not aware what view it held on this point -- he suggested that countries which had been producers within a certain period, should be allowed to resume the production of opium should they deem this to be of national interest.

Mr. MIHAILOVITCH (Yugoslavia) agreed in principle with the delegate of Turkey. Producing countries, in accepting the limitations imposed on them,
/had

had thereby acquired the right to a certain amount of consideration. It would not be just to consider the extension of cultivation to non-producing countries.

To some extent he also agreed with the observations of the delegate of Greece. The situation of such countries should be taken into account. The Yugoslav delegation had urged that export quotas should be based on past experience. That would entail consideration of the position at the present time and during the past ten years or so.

Mr. PILOSSIAN (Iran) said he did not claim that any countries were entitled to have a monopoly of cultivation. The measures now contemplated, however, would make cultivation increasingly less profitable. Not only were producing countries therefore entitled to some protection; to forbid the extension of cultivation to non-producing countries would also be in accordance with the object of the proposed Convention, namely to limit production.

Colonel SHARMAN (Canada) pointed out that the representatives of Turkey and Yugoslavia had on the previous day urged that there should be no international control of stocks. If they considered that producing countries were entitled to freedom in that respect, why should not consuming countries be at liberty to grow poppies for their own internal requirements. There was actually a new Law in Canada allowing for such cultivation under a system of licences. No such licences had hitherto been applied for, but in view of the statements which had been made with regard to the rights of producing countries, it would appear that consuming countries should also have certain rights in that connexion.

Mr. MIHAILOVITCH (Yugoslavia) thought there had been a misunderstanding owing to the fact that the Turkish and Yugoslav representatives were speaking French. He had agreed with the Acting Director that the statistical information supplied by producing countries should distinguish between stocks from old harvests, stocks from new harvests before malaxation, and stocks from new harvests after malaxation and standardization. Yugoslavia was therefore willing to supply all the necessary statistical information.

Mr. CARNOY (Belgium) was glad to hear the statements made by the Yugoslav delegate. The implications of the Canadian delegate's observations were
/dangerous.

dangerous. No decisions had been taken by the Committee, which had merely heard opinions. Colonel Sharman apparently wished them to arrive at a decision to the effect that non-producing countries should, under certain circumstances, be authorized to produce. Unfortunate suggestions of that kind were to be avoided. The position with regard to limitation was already difficult. If large buyers like the United States started cultivation to meet their own requirements, the position would become still more difficult. He proposed that there should be a resolution to the effect that non-producing countries should not be allowed to start production. The resolution need not necessarily be embodied in the Convention; but it should be made clear that any extension of cultivation was to be discouraged.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the question of the extent to which international control would be exercised would come up for discussion later. He therefore refrained from dealing with it at the present stage of the proceedings.

With regard to Mr. Mihailovitch's last observations, however, it should be pointed out that the obligation to forward statistics already existed under the 1925 Convention. The Secretariat had noted with satisfaction the readiness of the Yugoslav authorities to collaborate by sending in information. Colonel Sharman's point, however, was different. The important question was whether there should be international control, either in advance or after the figures had been received. He would remind members that the Sub-Committee's report which had been discussed on the previous day stated that the representatives of Yugoslavia and Turkey were of the opinion that the control of stocks should be in the hands of the national authorities.

Mr. SADAK (Turkey), in reply to the Greek delegate's observations, said that he had never considered that former producing countries such as Greece should be debarred from producing in the future.

In reply to Colonel Sharman, while it was difficult to dispute the right of consuming countries to produce in order to meet their own requirements, it was still more difficult to dispute the right of producing countries to consider their vital interests. The sacrifices made for humanitarian reasons should be equally shared by all.

/Colonel SHARMAN

Colonel SHARMAN (Canada) said that personally he did not think that Canada had any desire to embark on a programme of cultivation. It would be willing to forego its rights in that respect if all other countries also abandoned their rights in order to ensure that there was proper limitation and control.

Mr. BOURGOIS (France) thought the practical obstacles in the way of new cultivation were so great that no countries were likely to undertake it. In France, for instance the production of one kilogramme of raw opium would, with a forty-hour week, take about two months. France, for one, was therefore not likely to embark on a new programme of production.

Dr. CARRIERE (Switzerland) said that, although he had no precise instructions from his Government on the point, he could state that Switzerland had not hitherto required opium except for the manufacture of medicinal drugs, and it was doubtful whether she would ever feel obliged to cultivate the opium poppy. Nevertheless, it was desirable that non-producing countries should definitely be forbidden to cultivate.

He would state the principle enunciated by the Turkish delegate somewhat differently, and say that the rights enjoyed by the monopoly countries entailed certain obligations.

He had been glad to hear the Yugoslav delegate say that there had perhaps been a misunderstanding. That misunderstanding unfortunately appeared still to exist. Mr. Mihailovitch had said that his country was willing to submit all necessary information. Merely to provide statistics, however, would not be going very far from the point of view of control. Producing countries should agree that the controlling authority should have the right to discuss the statistics with Governments and, if necessary, suggest reductions.

Mr. BOURGOIS (France) said that the formula evolved by Sir Malcolm Delevingne for the Limitation Convention had been found to work very well in practice, and a similar formula could be adopted in the present case.

DISCUSSION OF DOCUMENT C.C./CONFIDENTIAL/36.

I. The Manufacture of Morphine and other Opium Alkaloids from dry Poppy Plant (poppy straw) or dry Poppy Capsules.

Dr. BALLENEGGER (Hungary) said that as the process of obtaining morphine direct from poppy straw had been invented by a Hungarian chemist and was in use in Hungary, he wished to give the Committee information regarding the direct manufacture of morphine in Hungary at the present time.

Hungary was not an opium producing country, although large areas -- between 8,000 and 11,000 hectares -- were under poppy cultivation. Those figures referred to areas where the poppy alone was cultivated. It was also cultivated in combination with other crops, especially in peasants' gardens. It was grown for its seeds, which constituted an important food product and were exported in considerable quantities.

The quantities of opium imported into Hungary were very small, and were used exclusively for the preparation of medicinal opium. Although no raw opium was produced in Hungary, opium alkaloids from poppy straw and dry capsules had been manufactured there ever since 1933 by the process invented by Kabay. Detailed information on this matter had been submitted to the Opium Committee in Reports No. O.C./1546/1 and O.C./1546/1a of May 22nd 1934, and Document C.256.M.250/1934 XI of June 9th, 1934. The manufacture of alkaloids was subject to rigorous control in virtue of the Limitation Convention of 1931. The Kabay process offered a number of advantages from the point of view of control. It enabled any State where poppy cultivation was possible to obtain the opium it required for medical and scientific purposes from a perfectly harmless raw material.

The plan outlined in document O.C./Confidential/16a provided for agreement with regard to sowings as far as the cultivation of poppies for the production of drugs was concerned. There was no difficulty in knowing which sowings would be used for that purpose in the case of raw opium, but the position was quite different with regard to the manufacture of morphine from poppy straw. That was not an agricultural but a chemical industry. The cultivator had nothing to do with the process.

In Hungary poppies were always sown for their seeds, i.e. for a food product. Sowing therefore could not be restricted, and was much greater than

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what was required for the manufacture of morphine. The raw material used for the latter was a waste product of poppy seed production. Limitation of sowing in that connexion would therefore be impossible and would, moreover, be unnecessary from the humanitarian point of view.

Purchases by the factory which manufactured the morphine were limited by the quantity of morphine which it had the right to produce under the 1931 Limitation Convention. Under the latter the manufacturing company ("Alkaloids") was subject to rigorous control by the Hungarian authorities. The amount of poppy straw used therefore depended on the amount of morphine which Hungary was authorized to produce under the Limitation Convention. There was no relationship between the amount of area under cultivation and the production of morphine from poppy straw.

As control of the use of poppy straw as a raw material in the manufacture of morphine was adequately provided for by control over the factory purchases, which in their turn were provided for by the Limitation Convention, there would appear to be no need for any change in the present system in Hungary.

Mr. AMAU (Japan) referring to the statement at the bottom of page 1 ("Details regarding Afghanistan, Japan, Korea and the USSR are not available for this classification") said that Japan and Korea should be classified under group (a).

Mr. CARNOY (Belgium) said the Hungarian delegate's statement had been very clear. Instead of forbidding countries to apply the Hungarian process it might be provided that countries should be able to obtain part of their supplies from poppy straw, and the remainder from producing countries.

The CHAIRMAN drew attention to the suggestions made in the document submitted by Mr. Bourgois (O.C./Confidential/16a).

Mr. BOURGOIS (France) said that countries manufacturing morphine from poppy straw and cultivating poppies for that purpose would not have to send in estimates of cultivation nor be parties to agreements regarding sowing, as the figures relating to the amount of morphine to be manufactured would be sufficient.

/Dr. BALLENEGGER

Dr. BALLENEGGER (Hungary) entirely agreed with Mr. Bourgois.

Sir Malcolm DELEIVINGNE (Expert) pointed out to Mr. Bourgois that the 1931 Convention did not provide for estimates of amounts to be manufactured.

Mr. MIHAILOVITCH (Yugoslavia) said that producing countries were not interested in the areas on which poppies were cultivated for food, oil, etc. but solely in the quantities of morphine produced.

Dr. HOO Chi-Tsai (China) said that the quantity of morphine produced from poppy straw was of considerable importance in connexion with the whole question of production of raw opium. If the latter should be limited, so should the production of poppy straw for the manufacture of morphine.

Mr. BOURGOIS (France) said the points raised by Sir Malcolm and Dr. Hoo were very interesting. There was a contradiction between two different systems; his own note was based on the quota system but the system under the 1931 Convention was different. Under the quota system estimates of the amount of morphine to be manufactured would not be sufficient.

Dr. HOO Chi-Tsai (China) said he had merely wished to point out that if there was to be limitation of raw opium production it was only fair that there should be limitation of the production of morphine from poppy straw.

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SEVENTH MEETING

held on June 1st, 1938, at 4 p.m.

MAIN PRINCIPLES ON WHICH A FUTURE CONVENTION MIGHT BE BASED.

Major COLES (United Kingdom), submitting the above report, said he thought it contained all the main points required for framing a draft Convention. He had borne in mind the questions submitted by Russell Pasha in Document O.C./Confidential/37, as well as the points contained in his own memorandum (Document O.C./Confidential/34), and the main principles laid down by the Secretariat on page 5 of Document O.C./Confidential/27. Finally, he had added Point VII (question whether limitation could or should be combined with regulation of raw opium prices). He thought, after the discussion in the Committee, that he could now draft his report.

On the CHAIRMAN's proposal, the document was examined, point by point.

Point I.

The CHAIRMAN said Point I (1) would be discussed later.

Major COLES (United Kingdom), referring to Point I as a whole, thought it was the general opinion of the Committee that poppy cultivation for the production of raw opium should be limited.

Point II

Major COLES (United Kingdom) said Point II (4) was the same as Russell Pasha's first question in Document O.C./Confidential/37. He had inserted the word "annually" to include Russell Pasha's second question also.

Referring to Point (3), the CHAIRMAN said the Committee had established that world requirements should be limited to medical and scientific needs, and that, pending abolition, gradual reduction should be provided for.

Mr. CARNOY (Belgium) thought Major Coles should mention in his report that only medical and scientific requirements were regarded as having permanent legal value, while other requirements were only temporarily legal, to be reduced by degrees as opportunity arose.

/Major COLES

Major COLES (United Kingdom) concurred.

Replying to a question by Mr. NIND (India), Mr. RENBORG (Acting Director of the Opium Traffic Section) said the general feeling of the Committee, as expressed the day before was that while world requirements should be limited to medical and scientific needs, requirements of prepared opium were to be taken into account as long as it was still used. As regards unprepared opium for eating, the Committee was of the opinion, as stated by Mr. Fuller, that there could be no contractual obligation on this point at present.

Dr. HOO Chi-Tsai (China) agreed with Mr. Renborg. He wished also to remind him that he had proposed that the output of prepared opium for other than medical and scientific purposes should be eventually abolished. This could be done by yearly reductions of, for instance, one-fifth per annum over a period of five years.

Major COLES (United Kingdom) said he had noted Dr. Hoo Chi-Tsai's suggestion.

Mr. GAVRILOVITCH (Yugoslavia), referring to Point II (4), said his country would accept a quantitative limitation of its exports of raw opium, but considered the limitation of production to be a matter of purely national concern.

Mr. BAHRAMY (Iran) said his country would agree to limitation of production, but would retain its full liberty as regards the quantities of raw opium it exported.

Mr. BOURGOIS (France) agreed with the Yugoslav delegate that no concrete figures could be laid down for production, which varied from year to year. All that could be done was to determine world requirements and to limit exports accordingly.

/ Mr. PILOSSIAN.

Mr. PILOSSIAN (Iran) did not think the production of opium could be restricted merely by prescribing absolute figures. Precedents such as the Drugs Limitation Convention could be followed, which provided that stocks should not exceed world requirements. Thus the method of regulating stocks was to be recommended. For example, a country exporting 300 tons annually would not be allowed to have more than 300 tons as its regulating stock.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said the proposed mechanism for control would be as follows: estimates of requirements would be forwarded by the different countries to the international controlling authority, which would calculate world requirements on the basis of those estimates. The method of allocating export quantities to the various countries would depend on whether the quota or free order system was adopted. He submitted that the question was really one to be discussed under Point III (10).

If he had understood the Yugoslav representative aright, Yugoslavia would not accept international control for the limitation of production in its own country, but would agree to limit its export trade, or would accept limitation of production provided such limitation was under its own national control.

Mr. SADAK (Turkey) thought there was no fundamental difference between the Iranian and Yugoslav views. One wished to limit exports, the other cultivation. But cultivation would necessarily be limited in proportion to the limitation of exports. In any case, limitation of production was bound to be under national control.

The CHAIRMAN said the Committee had to decide whether the limitations applied to drugs by the 1931 Convention could not be applied to opium.

He failed to see the purpose of Mr. Sadak's remarks. Mr. Sadak had said that if exports were diminished, production would inevitably be diminished accordingly. If that was the case, why should production not be limited in the Convention? The Committee's intention to restrict production was clear, even though such restriction would have to be gradual.

/ Mr. BOURGOIS

Mr. BOURGOIS (France) observed that it would be to the interest of both producing and importing countries if production were restricted to world requirements. As it would be to a country's advantage not to have stocks in excess of the export quota, the first thing it would do would be to limit its production.

Mr. GAVRILOVITCH (Yugoslavia) said that the positions in Yugoslavia and Iran were very different. Compared with other countries, the Yugoslav output was very small, and only amounted to about 50,000 kg. a year. It had always been possible to dispose of this amount on the licit market. What was necessary in Yugoslavia was not to limit production so much as to tighten up control. There had been limitation in Yugoslavia for twelve years, and the production of opium had already been reduced by half, whereas some of the other producing countries had actually been increasing their output, and new producing countries had entered the market.

The results of limitation in Yugoslavia had already proved disastrous. It should be remembered that Yugoslavia was a democratic country, where the peasant could voice his opinion through his Parliamentary representative. Yugoslavia did not desire to sign a Convention which she might be unable to enforce.

Another difficulty was that Yugoslavia had as yet no land register, and a whole administrative system still had to be devised for that purpose. Control of production would therefore be extremely difficult to achieve.

Major COLES (United Kingdom) thought it should be borne in mind that the Committee was preparing a plan and that differences must be narrowed down as much as possible. If, however, more than one view should persist on any point it would be for the future Conference to decide.

Mr. PILOSSIAN (Iran) observed that in Iran opium was produced on a very large scale. The way was being cleared for reduction, but the same difficulties were being experienced as in Yugoslavia, for example, absence of a land survey system, etc. Iran did not wish to be a source of poison to other nations but to collaborate with them in every way.

Dr. HOO Chi-Tsai (China) was in favour of quantitative limitation of production. It was not enough to say that the limitation of exports would in itself limit production. If there were no corresponding limitation of production stocks would accumulate and might find their way into the illicit market. He realized that no exact figures for the limitation of output could be given as in the case of drug limitation, but countries could determine the area to be sown and some sort of margin could be provided for.

Sir Malcolm DELEVINGNE (Expert) said Mr. Bourgois had in 1936 advocated in Document O.C.Conf.16 (page 13) that countries should limit their production in accordance with the quota allotted to them, due regard being had to their own estimates and stocks. He quoted the sixth paragraph on page 13 in which Mr. Bourgois had suggested a method for determining the area to be sown. The average crop over a period of five years being relatively constant, such an average would be taken by the producing countries in deciding the area to be sown, due provision being made for the necessary stocks to preserve the balance between good harvests and bad. He had perhaps misunderstood Mr. Bourgois. Was he not now advocating another scheme based on the Convention of 1931 which contained no quota system at all? The vital question was, did countries agree to limit their production to the quota allotted to them, due regard being had to their own estimates and stocks.

Mr. BOURGOIS (France) agreed with Dr. Hoo Chi-Tsai that an ideal figure should be fixed. He would go farther and say that it should be based on the country's estimates in agreement with the Supervisory Body.

Mr. SADAK (Turkey) said he had proposed the limitation of exports only, without the accompanying limitation of production, because that seemed less likely to raise objections. He thought that limitation of production would not be accepted in certain countries and had therefore kept his proposal within the bounds of practical possibilities.

Referring to Sir Malcolm Delevingne's question Mr. BOURGOIS (France) said he thought there had been some misconception. He was prepared to accept the fixing of an average figure for opium production.

/ Major COLES

Major COLES (United Kingdom) said there were striking differences of opinion among the Committee. All he could do would be to reproduce them in his report.

The CHAIRMAN thought a decision should be reached to the effect that the Committee was in favour of the limitation of production.

Mr. GAVRILOVITCH (Yugoslavia) pointed out that all speakers had been in favour of the limitation of production in principle.

Mr. SADAK (Turkey) said it was obvious the Committee was unanimous on the matter.

The CHAIRMAN duly noted this fact.

Point II (5).

Dr. HOO Chi-Tsai (China) referring to Point II (5) said three factors must be borne in mind in discussing the quantitative limit to be fixed, namely (1) requirements of raw opium, (2) requirements of morphine extracted from poppy straw and (3) requirements of smoking opium. The quantitative limit of raw opium would depend on the decisions reached regarding poppy straw. If the latter were used to any large extent the output of raw opium would be diminished. This consideration also applied to smoking opium. He thought therefore the phrase "requirements of consuming countries" should not refer to opium alone.

With regard to the phrase "as certified by their respective Governments", he did not think the requirements of the consuming countries should be certified by their respective Governments when such countries were also producers. Some control of requirements by an international body was essential.

As regards Point II (4) he was of the opinion that it would be preferable to determine the limit for a period of years rather than for one year.

/ Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Traffic Section) assumed the Convention would provide for the yearly reduction of the quantities of opium so as to achieve total abolition in five or ten years. He did not think Dr. Hoo need have any anxiety regarding the phrase "as certified by their respective Governments".

Mr. MIHAILOVITCH (Yugoslavia) thought the Rapporteur should also note the question of seized quantities of opium which Mr. Gavrilovitch had mentioned some days before. If such quantities were not destroyed and were placed on the market instead, the exports of producing countries would be correspondingly reduced.

The CHAIRMAN said this could be examined under Point III(8).

EIGHTH MEETING

Held on June 2nd, 1938, at 10.30 a.m.

MAIN PRINCIPLES ON WHICH A FUTURE CONVENTION MIGHT BE BASED.

(Document submitted by Major Coles (United Kingdom), Rapporteur).

I. Substances subject to limitation.

Dr. BALLENEGGER (Hungary), referring to Points 1 and 2, reminded members that he had on the previous day drawn attention to the reasons why cultivation in Hungary could not be limited. The application of the 1931 Limitation Convention, relating to the amount of morphine manufactured, provided a sufficient measure of control. There were now two different kinds of raw material for the production of morphine, namely raw opium and poppy straw. They had to be considered from the humanitarian and economic aspects. From the latter aspect, raw opium was preferable. Poppy straw was very bulky and could not be transported over long distances. It was, however, impossible to foretell which material would be most largely used in the future. At present there were only three countries manufacturing morphine from poppy straw, namely Hungary, Poland and Germany. Existing provisions regarding control appeared to be adequate as far as the amount of morphine manufactured from straw was concerned.

The CHAIRMAN reminded members that they had before them two documents (O.C./Confidential/36, and O.C./Confidential/16(a)(revised)) connected with the question which they were discussing, namely whether there should be limitation of morphine extracted from poppy straw.

Mr. SADAK (Turkey) said that the extraction of morphine from straw was a process which was unknown at the time of the Geneva Convention. It should be forbidden, as it would do great harm to opium producing countries.

/Mr. FULLER

Mr. FULLER (United States of America) said that a study of available documentation indicated that limitation of the cultivation of poppies for foods purposes, etc. would not be advisable. Adequate control, however, should be exercised over the planting of poppies, whatever the purpose for which they were to be used. Poppy straw was a dangerous substance and could be used directly for addiction, as had been found in the North of India, in Canada and in the United States. There had also been attempts to ship it into the United States for the same purpose. It had been stated that the process whereby morphine was extracted from poppy straw required a large factory and complicated equipment. The same had been said with regard to the manufacture of morphine from raw opium; in practice, however, it had been found that the drug could actually be manufactured from opium in a back kitchen with the help of running water, a couple of gas rings, and the necessary chemicals. Colonel Sharman could tell the Committee of cases where morphine had been manufactured from poppy heads in British Columbia by primitive appliances of that kind.

If it was impossible to limit cultivation there should at least be supervision. The 1931 Convention did not provide adequate control, and dealt only with amounts in the hands of manufacturers. Something like the Canadian system of licences for cultivation, to which Colonel Sharman had referred, might provide a solution. It was only fair to countries which produced raw opium that there should be some such control.

Colonel SHARMAN (Canada) said that the experience of the Canadian authorities during the past six years had shown that the poppy head was a dangerous substance. There had been cases where Indians (natives of India) had, with the help of a kitchen stove, produced a potion which was found to have a high morphine content. Neither the British nor the Canadian Pharmacopoeia provided for the use of the poppy head for legitimate requirements. In Canada it had been necessary to place the poppy head under the same restrictions as ordinary drugs, both domestically and internationally as regards imports. He mentioned a case where a florist had applied for a certificate to import a quantity of gilded poppy heads, which, it was claimed, were to be used for decorating Christmas trees. The certificate was refused, and on analysis it was found that the poppy heads involved had a morphine content which was heavier than that of poppies illegally grown in Canada.

/In Europe,

In Europe, there were thousands of hectares where poppies were cultivated for their seeds. One day poppy heads from those districts might suddenly come into prominence with startling results.

Mr. BOURGOIS (France), while not for the moment taking up a position with regard to the main question under discussion, wished to point out that the extraction of one kilogramme of morphine required about 2,000 kilogrammes of straw, i.e., five or six large cart-loads. Its use would therefore scarcely be likely to escape the attention of the authorities. It was true that in the case of poppy heads only about 500 kilogrammes might be required, but, even so, supervision should be easy. He had therefore proposed that there should be "liberty under supervision".

The same poppy might be used for the production of either foodstuffs or drugs. The quantities of poppy straw available as the result of sowings for food and similar purposes would be much greater than the quantities required for the extraction of the whole world's legitimate morphine requirements. The estimated amounts of morphine to be extracted from poppy straw would therefore have to be taken into account when quotas were allotted to countries producing raw opium.

Mr. CARNOY (Belgium) said that the discussion on the previous day had shown that the majority of members were in favour of limiting cultivation of the opium poppy for the purpose of the direct manufacture of drugs. They were now considering the question of cultivation for a great variety of purposes. It would obviously be very difficult to limit such cultivation. Some sort of control would, however, probably be necessary, and should not be impossible. In Belgium and other countries the cultivation of tobacco was under the supervision of the taxation authorities who applied a system of licences and fees.

The disadvantage offered by the production of morphine from poppy straw to countries which produced raw opium would have to be taken into account. In view of the sacrifices which such countries would have to be asked to make, the controlling authority should perhaps be requested to get countries to restrict production from poppy straw within certain limits.

/Dr. CARRIERE

Dr. CARRIERE (Switzerland) reminded the meeting that the Turkish and Yugoslav delegations had proposed that the extraction of morphine from poppy straw should be forbidden. Could the Committee not come to a decision regarding that proposal before going on to discuss the question of control over production from poppy straw?

The CHAIRMAN said the Committee's task was only to express opinions and not take decisions, but it would, of course, be interesting to hear members' views regarding the Turkish-Yugoslav proposal.

Dr. CARRIERE (Switzerland) agreed with the Chairman, but thought that the Committee's views on the question would have a definite bearing on any discussion of the whole problem of the production of poppy straw.

Dr. HOO Chi-Tsai (China) was in favour of allowing the extraction of morphine from poppy straw. In the past no attempt had ever been made to prevent a country using processes with which it was familiar for the production of its legitimate requirements. To forbid the use of such processes now would be an entirely new departure. Further, with regard to the future, if it were found that sufficient morphine to meet medical and scientific requirements could be extracted from poppy straw, there would be no need to produce any opium for this purpose. That would be an excellent state of affairs, especially for China.

Mr. BOURGOIS (France) thought that the Committee should express its views on the point to which Dr. Carriere had referred, namely, whether extraction of morphine from poppy straw should be forbidden or not. The question should be considered from the two points of view of production for internal requirements, and production for export.

The CHAIRMAN agreed with Mr. Bourgois, and asked members to express their views on the Turkish-Yugoslav proposal.

Dr. BALLENEGGER (Hungary) agreed with Dr. Hoo that under existing conditions the extraction of morphine from poppy straw should not be forbidden. It marked a definite advance in the campaign against illicit traffic.

/Dr. CARRIERE

Dr. CARRIERE (Switzerland) also thought that it was practically impossible in the present circumstances to impose absolute prohibition on the extraction of morphine from poppy straw. The process had already been adopted to a considerable extent. He understood that in 1937 1,400 kg. of morphine had been produced in that way. It might, however, be advisable to impose certain restrictions, and manufacture for export might be forbidden.

Mr. PILOSSIAN (Iran) said that, while raw opium might at present be far more dangerous than poppy heads, a substance which was not dangerous now might become so in the future, as the result of new scientific processes. The figures given in Document O.C./Confidential/36 showed that the percentage of morphine obtained by extraction varied greatly in the three countries using that process. Such variations in yield would make control very difficult. In the case of raw opium, on the other hand, it was possible to know exactly what quantities of morphine would be obtained.

Mr. DELGORGE (Netherlands) said he did not know the opinion of his Government on the point under discussion. His country was not really interested in the question -- but opium was still smoked in the Netherlands Indies and, like Dr. Hoo, he would be very glad if the intended convention met with such success that in fact no opium was available for smoking, either legal or illegal.

He did not, however, think that it would be advisable to insert in the Convention any provision regarding the prohibition of the extraction of morphine from poppy straw, because the result would merely be that the countries concerned would not sign. The best thing would be to provide for some form of control.

Colonel SHARMAN (Canada) said that it was impossible to prohibit the extraction of morphine from poppy straw. Scientific progress could not be ignored. Some thirty years ago, when motor-cars appeared, the owners of horse-drawn vehicles had had to adjust themselves to the new conditions.

/Mr. NIND

Mr. NIND (India) agreed with Colonel Sharman. Now that the new process existed, however, some form of control, such as the system of licensing suggested by Mr. Fuller, was very necessary.

Mr. CARNOY (Belgium) was glad to see that the Committee agreed with Mr. Fuller and himself that there should be control. Although there were, of course, many arguments in favour of prohibiting the manufacture of morphine by extraction, it was now too late to embody such a prohibition in a Convention. As had been pointed out, the result would merely be that many countries would not sign. As Mr. Bourgois had suggested, a distinction might be made between extraction for internal requirements and extraction for export. The latter might be forbidden, or at least temporarily limited, so that the regular producing countries should not suffer too severely as the result of the new process.

The CHAIRMAN said that he wished to make a few remarks not as Chairman but in his capacity of Polish delegate. The Committee had been thinking largely of possible future developments, but it was important to consider the present position. The Hungarian delegate had given an account of the position of Hungary. Conditions in Poland were almost identical. The poppy was cultivated there mainly for purposes of food, though, as stated in document O.C./Confidential/36, it could be used for many other comestible and industrial purposes, and might even provide fuel for internal combustion engines. The waste products of such cultivation were used in Poland for the manufacture of morphine for legitimate requirements, the amounts manufactured being reported to Geneva. Poland did not export morphine. The position of Poland and Hungary was clear: they were manufacturing countries, subject to the provisions of the 1925 and 1931 Conventions, which used their own raw materials.

Previous speakers had already expressed the opinion that the limitation of cultivation for the production of seeds would be impossible. With regard to the other matter with which the Committee were dealing, namely the production of raw opium, Poland was not a producing country, and therefore, strictly speaking, should not be included in the scope of the discussions. The important consideration for Poland, however, was that poppy straw was used there for the manufacture of certain primitive products. Although he had no instructions from

/his Government

his Government concerning document O.C./Confidential/36, he could definitely state that his Government would never accept prohibition of the extraction of morphine from poppy straw.

He was sorry he was unable to agree with his Yugoslav and Turkish friends on that subject, but his country was bound to consider the matter not only from the economic point of view, but also from that of defence. A few weeks ago, as members were aware, there had been the danger of war breaking out. Poland had been faced with the possibility of being cut off from her supplies of morphine and codeine. It would be too much to expect her to allow such a state of affairs to arise, even for the sake of the Yugoslav and Turkish peasants, for whom the speaker felt considerable affection. The same problems did not, of course, exist in the case of countries favoured by their geographical situation. He had merely wished to place these considerations before the Committee, as it was impossible for him to give way on a matter connected with the defence of his country.

The discussion could be summed up as follows. The majority of members were not in favour of limiting cultivation, nor of prohibiting production from poppy straw. A number of members considered, however, that there should be some form of control over cultivation.

Dr. MIHAILOVITCH (Yugoslavia) said that the problem under discussion had two aspects. There was the question of principle, and there were technical considerations. As Mr. Fuller had said, there was no mystery: the situation was perfectly clear. The discussion was jumping about from one subject to another. That was primarily due to the fact that document O.C./Confidential/27 was only received by the Yugoslav delegation on arrival. A single copy had been sent to Yugoslavia marked "Printed Matter". Packets marked in that way could not always be expected to reach their destination. The document should have been received at least one month in advance. Personally, he would have arranged it somewhat differently. The Yugoslav delegation had not come to attend the meetings with any intention of bargaining. He had followed the discussion with great interest and regretted to note that very little progress had been made. This had also been noted by other members, such as Mr. Fuller, Russell Pasha and Colonel Sharman. They, however, had referred to the producing countries.

/That raised

That raised a question of self-respect and prestige, to which he felt bound to reply. The Yugoslav delegation had come to Geneva anxious to collaborate in the campaign against addiction. It was quite unjustifiable to charge the producing countries with holding up the work. In Yugoslavia, which was actuated by humanitarian principles, production had been reduced considerably. From 1925-1930 the average area sown had been 11,780 hectares, whereas from 1931-1936 the average was 6,480 hectares, i.e., the area had been reduced by about half. The production figures for the same years were approximately 115,000 kilos and 48,000 kilos respectively. Those figures should be sufficient proof of the way in which the Yugoslav Government had been facilitating the work by making great sacrifices.

It was easier to see what great sacrifices had been imposed on the Yugoslav agricultural class when one remembered that opium was produced in Southern Serbia along the Vardar, for seven years the field of battle of three consecutive wars. The impoverished peasants of this area, which was devastated at the end of the last war, were entitled to expect moral and material support from their Government for reconstruction. The Government had, of course, come to their aid. But at a given moment, when it ratified the 1925 Convention, it imposed great sacrifices on them for the purpose to which attention had already been drawn. Those sacrifices had not been taken into account in the documents produced by the Secretariat. A comparison of the reductions which had taken place in producing countries since 1925 would show what a creditable part had been played by Yugoslavia. It should not be treated in the same way as countries which had acted differently.

If the League Secretariat calculated the world requirements of opium (1) for medical and scientific purposes and (2) for smoking and eating, and then worked out the proper share of producing countries in the total amount to be supplied, Yugoslavia's share would probably be found to be approximately equivalent to the amount it at present produced.

Having made the great sacrifices to which he had referred, Yugoslavia was now faced with the prospect of certain countries, which had hitherto been non-producing countries, undertaking the manufacture of morphine from poppy straw. The 1925 and 1931 Conventions naturally made no provision for such a state of affairs. Was such a situation just? Dr. Chodzko, as Chairman, had

/told members

told members that they should aim at the limitation of production, but, speaking as delegate of Poland, he said that he must consider the question of national defence. The delegates of Yugoslavia were equally interested in the question of the welfare and defence of the population in their own country. He (Mr. Mihailovitch) therefore repeated the proposal which he had made two days previously, and which had been supported by the Turkish delegation, that the extraction of morphine from poppy straw should be forbidden. He appealed to the Committee to consider the problem from the humanitarian point of view. Was it right that the Yugoslav authorities should be asked to sacrifice their peasants so that other countries which had not hitherto produced should be free to initiate a new form of production?

Mr. ERKAN (Turkey) said that the position with regard to Turkey was similar. The Turkish delegation had certainly not held up the proceedings, but on the contrary had done all in their power to facilitate the work of the Committee.

The CHAIRMAN did not think that any members had accused the producing countries of holding up proceedings.

Dr. MIHAILOVITCH (Yugoslavia) regretted that he could not agree with the Chairman. Russell Pasha had made a statement to the effect that no advance was being made upon the path of limitation. Limitation affected producing countries. The implication therefore was that producing countries were responsible for the delay.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the representative of Yugoslavia had referred to two points which concerned the Secretariat. The first was that the Yugoslav representative had not received document O.C./Confidential/27 in time. That document had been despatched to the Yugoslav representative in Belgrade in the same way as to the other members. It was to be regretted if it had not been received in Belgrade, but it was surely not suggested that all such communications should be sent under registered cover. The preparation of the document in question was a complicated

/matter

matter requiring a great deal of work, and the Secretariat regretted that it had not been possible to have it ready before the beginning of May. The second point had been that the documentation produced by the Secretariat had not taken sufficient account of the reductions which had been made in producing countries. Document O.C./Confidential/27 was only intended to be an exposition of the principles on which a convention for the limitation of poppy cultivation and of the production of raw opium might be based. A reference to the statistical tables supplied by the Secretariat would, however, show that they gave a clear indication of the position. If Yugoslavia had not been dealt with in great detail in the analytical study submitted in the previous year by the Secretariat that was because, strictly from the point of view of world production, Yugoslavia was not an important country, as its production was relatively small compared with India, Iran or Turkey.

Dr. BAHRAMY (Iran) was sorry the Committee had strayed from the main question. His delegation had borne in mind the legitimate interests of both consuming and producing countries. They had never made insinuations against other countries. Iran had already done a great deal in the matter of limitation but left judgment of its work to others.

The Committee was not a parliament or a court of law. The Iranian delegation believed in gradual limitation, and would willingly collaborate in the work.

Colonel SHARMAN (Canada) wished to reply to the Yugoslav delegate, who had mentioned him by name. He (Colonel Sharman) had certainly complained of delay, but he had not attributed it to producing countries.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that he had been present throughout all the meetings, and had followed the discussions very closely. He had never received the impression that there was any suggestion that producing countries had been responsible for delaying the work. The Committee was considering a very complicated problem, which required thorough discussion. No one could expect a complete scheme to be produced in the ten days or so. He knew that suggestions had been made in certain outside quarters that

/the Committee

the Committee would achieve nothing, but such outside suggestions should not be taken into account.

Dr. MIHAILOVITCH (Yugoslavia) said he did not intend to embark on a controversy. If the minutes were available he would be able to quote from the relevant passage, but, as far as he knew, Mr. Fuller had said that producing countries had been expected to come forward with schemes for limitation and as they were not doing so consuming countries could take the matter into their own hands. Could the matter be cleared up? The point was very important.

Mr. FULLER (United States of America) said that Dr. Mihailovitch had quite misunderstood him. What he (Mr. Fuller) had said was that the Committee would get nowhere until they decided on the basic principles on which the Convention was to be based. They had hoped to receive a definite plan regarding limitation from the producing countries, but he had added that the latter should first be given an idea of what objects the Convention was to attain. He had never even insinuated that the delay in the Committee's work was due to the producing countries. He thought it was due to the fact that the Committee had not come to a decision with regard to basic principles.

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NINTH MEETING

Held on June 2nd, 1938, at 3.30 p.m.

MAIN PRINCIPLES ON WHICH A FUTURE CONVENTION MIGHT BE BASED.
(continued)

Point III (6). World requirements of raw opium to be ascertained by a system of Government estimates (annual and supplementary).

Major COLES (United Kingdom) (Rapporteur) said the Point had been sufficiently discussed and he thought the Committee was in agreement regarding it.

Mr. BOURGOIS (France) thought the words "system similar to that employed for the limitation of manufacture" might be added. This would unobtrusively bring in the idea of supervision.

Dr. HOO Chi-Tsai (China) said Government estimates should not allow of an increase of prepared opium for smoking.

Mr. BOURGOIS (France) thought the words "in accordance with the Convention" would include the idea of progressive decrease and would satisfy Dr. Hoo Chi-Tsai even better.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said circumstances might arise in which an opium smoking country might have to submit a supplementary estimate if it had reduced the consumption of prepared opium below its obligations. It might be necessary in such a case to import more opium than originally estimated for.

Dr. HOO Chi-Tsai (China) observed that this was theoretically correct but no such case had ever arisen in practice. Monopoly countries had generally sufficient reserve stocks.

/Point III (7).

Point III (7). The Governments of importing countries to indicate the obligation to take over each year such quantities as have been estimated for (binding estimates).

Dr. CARRIERE (Switzerland) said that in some countries cases often occurred in which factories and not the Government were the importers. In such cases the Government should not assume an obligation of the kind stated in Point III (7).

Major COLES (United Kingdom) (Rapporteur) explained that under the Convention only Governments would be able to assume an obligation. In cases of the kind mentioned by Dr. Carriere Governments would have to take the necessary steps to ensure that they would be in a position to assume such obligations.

Sir Malcolm DELEWINGNE (Expert) said the point was closely connected with that of price. If a Government undertook two years in advance to take over a certain quantity of opium agreement must naturally be reached as regards the price to be paid.

Point III (8). Governments of producing countries to submit estimates concerning the area cultivated.

Major COLES (United Kingdom) (Rapporteur) was aware that the Committee had not reached unanimity on this Point, but he did not think it was necessary to resume discussion of the matter.

Sir Malcolm DELEWINGNE (Expert) suggested the Point should be expressed somewhat differently. It should be made clear that the Governments of producing countries should either submit estimates of the area to be cultivated, or state the basis on which they would determine what area was to be cultivated.

Point III (9). Estimates to be examined by an international controlling authority.

Dr. HOO Chi-Tsai (China) presumed that in this connexion also the controlling authorities would ensure that producing countries did not submit estimates which exceeded requirements.

/Major COLES

Major COLES (United Kingdom) (Rapporteur) suggested it might in that case be advisable to add "with powers similar to those of the 1931 Convention".

Mr. SADAK (Turkey) pointed out that it was not yet agreed that the controlling body would have the same powers as that set up under the 1931 Convention.

Dr. CARRIERE (Switzerland) thought the controlling body was dealt with in Point V (15).

Mr. RENBORG (Acting Director of the Opium Traffic Section) explained that Point V (15) referred to ex post facto control.

Mr. STEINIG (Secretariat) explained that under the former Convention there were two controlling bodies. One was the Supervisory Body referred to in Point III (9) which passed estimates, the other was the Permanent Central Opium Board which dealt with statistics submitted after the estimates had been decided upon.

The CHAIRMAN reminded Mr. Sadak that he had wished to raise the question of the participation of producing countries in the supervisory bodies.

Mr. SADAK (Turkey) said he would ask that his country should be represented on both bodies.

Mr. RENBORG (Acting Director of the Opium Traffic Section) explained that the members of these bodies were experts and not Government representatives.

Mr. BOURGOIS (France) suggested that the words "independently of Governments" might be added to Point III (9) to make that clear.

/The CHAIRMAN

The CHAIRMAN observed that the Advisory Committee was the only body on which Governments were represented.

Sir Malcolm DELEVINGNE (Expert) said it would obviously be extremely difficult to have a controlling body representing Governments of consuming and producing countries.

Mr. SADAK (Turkey) explained that he did not necessarily mean Government representatives. Members of such supervisory bodies were bound to be nationals of certain countries and he thought that Turkish nationals should be included.

Mr. BOURGOIS (France) pointed out that if members of such bodies were official representatives of their Governments they would be both judges of and parties to a case at the same time.

Dr. MIHAILOVITCH (Yugoslavia) said that Points III (8) and III (9) were closely connected as they both dealt with estimates. As representative of a producing country he wished to express his view on the question of estimates. The document the Committee was examining had been drawn up by members of non-producing countries though he admitted that the Secretariat watched over the interests of all parties. He would ask the Committee: How was it possible to estimate production in advance? To take a concrete example, the opium crop in Yugoslavia had amounted to 140,000 kg. in 1930; in 1929, for practically the same area, the crop had been only 39,000 kg. There were also practical difficulties, such as the absence of any land survey system. The controlling authority would be faced with all these difficulties and would furthermore be situated at a considerable distance from the countries concerned.

Mr. BOURGOIS (France) pointed out that in such a case no fears need be entertained by any countries that the controlling authority would be unjust. The controlling authority would have the country's dossier of production and would base its decisions on that dossier.

/Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Traffic Section) reminded the Committee that it had decided, at Sir Malcolm Delevingne's suggestion, to consider two possibilities as regards the form estimates should take, namely, the area to be cultivated and the basis on which the area for cultivation was to be determined.

Mr. PILOSSIAN (Iran) observed that Point III (9) did not necessarily concern area alone; the estimates might also refer to quantities, consumption, etc. If estimates of area proved unacceptable, then the controlling authority might base its decisions on other data.

Dr. HOO Chi-Tsia (China), referring to the two alternatives mentioned by Sir Malcolm Delevingne, thought both the area and the basis of calculation should be given. Was it not time to say that they were not alternative but rather mutually complementary?

Mr. RENBORG (Acting Director of the Opium Traffic Section) reminded Dr. HOO CHI-Tsai that if the basis on which the area was calculated and the quantities to be produced were known the area could be easily worked out.

Sir Malcolm DELEVINGNE (Expert) observed that it was not as easy to work out the area as might be imagined. There must be a basis, true, but there were all kinds of "Imponderables". The best form of calculation would be based on past experience. If a Government submitted an estimate of the area to be cultivated, the controlling authority would find it useful to have details of the basis on which the area was calculated. The whole matter could not be expressed as an arithmetical formula.

With regard to Dr. Hoo Chi-Tsai's statement, he would point out that there was a difference between the two methods. If a country gave information regarding its basis of calculation of the area, the controlling authority would, under the 1931 Convention, be in a position to ask questions, with the aid of the country's dossier, which would provide details of harvests, past experience, etc.

/Mr. BOURGOIS

Mr. BOURGOIS (France) agreed that the area should be taken as the basis of estimates and that the controlling authority should also examine all the additional necessary data, such as the probable yield per hectare, differences in seeds (which affected Iran in particular), etc.

Point III (10). Alternative methods for the allocation of the exportable quantity to export-producing countries, viz (a) quota system or (b) free order system.

Mr. BAHRAMY (Iran) said he had already expressed his view on the subject and that Iran favoured a free order system.

Dr. MIHAILOVITCH (Yugoslavia) declared he was in favour of the quota system, which he thought provided for stability and order.

Major COLES (United Kingdom) (Rapporteur) recalled that Dr. Mihailovitch had been in favour of a distinction being drawn as regards quotas between raw opium for monopoly purposes and opium for manufactured drugs.

Dr. MIHAILOVITCH (Yugoslavia) explained, speaking of opium in general, that there were two kinds: opium to be used for the manufacture of alkaloids and opium to be used for smoking, chewing, etc.

Mr. RENBORG (Acting Director of the Opium Traffic Section) asked Dr. Mihailovitch whether he desired the export market to be divided into two sections, one for the export of raw opium intended for the manufacture of drugs and one for the export of raw opium intended for the preparation of smoking opium, and whether he thought there should also be two separate quotas, one for raw opium for manufactured drugs and one for raw opium for smoking.

Dr. MIHAILOVITCH (Yugoslavia) said that was precisely what he desired. He thought that should be the policy of the Secretariat. Yugoslavia had never exported smoking opium, though small quantities (10%-30%) of Yugoslav medicinal opium were sometimes mixed with "soft" opium. The
/important

important point for his country was that whereas "druggists" opium could only be used to manufacture alkaloids, unless it was mixed with so-called "soft" opium, as it irritated the the throat, opium for smoking could also be used to manufacture alkaloids. He had always thought of the international market in terms of these two kinds. When he worked at the Turkish-Yugoslav Central Office, Japanese orders always distinguished between "druggist's" and "soft" opium.

Mr. PILOSSIAN (Iran) pointed out that the question of two kinds of opium did not arise in Iran, where only one kind was produced from the juice obtained by incisions made in the papaver somniferum, which could be used both for smoking and for the manufacture of drugs. He did not accept the statement that the opium produced in his country could only be used for smoking. He thought it would facilitate the task of the Committee if opium was considered as being of one kind only.

Mr. BAHRAMY (Iran) explained that his country had made great efforts to improve the cultivation of the poppy, with the intention of giving its opium a good name and ensuring that it should be used for legal purposes.

Major COLES (United Kingdom) (Rapporteur) said it was obvious that there was a definite divergence of view on the matter which he would note in his report.

Dr. HOO Chi-Tsai (China) thought the distinction made by Yugoslavia would only be of practical interest if it were decided in the future Convention that world production of opium for smoking must be annually reduced. In that case Yugoslavia's quota would not be reduced, as it did not produce opium for smoking. This distinction would be logical and just. It was only natural that countries which produced smoking opium should be the ones to have their output reduced.

Mr. BAHRAMY (Iran) regarded the discussion as somewhat academical, but wished to emphasize that Iranian opium was equally good for smoking and medicinal purposes and that great efforts had been made to improve it, though he did not thereby imply that the output had increased.

/Mr. EMBIRICOS-COUMOUNDOUROS

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) said a system of quotas would greatly restrict the liberty of consuming countries. He would remind the Committee however that it was stated on page 18 of document O.C./Confidential/27 that "in the event of a purchasing country stating in its annual estimates that for special reasons (trade agreements or other arrangements) it was bound to buy all its opium supplies from a certain producing country, the controlling authority would take that statement into account when allotting the quota to the producing country in question."

The inclusion of such a clause in the proposed Convention might, he thought, facilitate agreement between the consuming and producing countries. That was a purely personal opinion, however, as he did not know what point of view was taken by his Government. He reserved his right to consult it on the question of quota systems in due course.

Sir Malcolm DELEWINGNE (Expert) thought the Committee should realize quite clearly what was implied by the free order system, which was adopted in the 1931 Convention. Under this system, any country was free to buy where it liked but, as explained in document 27, the system now proposed was a very restricted free order system. A country would have to state two years in advance where it would purchase opium and this statement would be binding.

Point III (11). The controlling authority to have the task of allocating to each producing country the annual quantities to be (a) produced (production quotas) and (b) exported (export quotas).

Colonel SHARMAN (Canada) wished to know whether this meant that quotas would be fixed by the controlling authority or by agreement between the Governments concerned.

Mr. RENBORG (Acting Director of the Opium Traffic Section) explained that quotas would have to be embodied in the Convention. It had been suggested that the Conference should be preceded by a quota agreement between the interested parties.

/Colonel SHARMAN

Colonel SHARMAN (Canada) explained that he wished to know whether for the purposes of fixing quotas the Committee was dependent upon prior agreement among producing countries.

Mr. RENBORG (Acting Director of the Opium Traffic Section) explained that the quotas must be finally determined by the Diplomatic Conference. The Secretariat document mentioned that before the Conference was to be held there should be some preliminary negotiations between producing and consuming countries, and the Yugoslav delegate had himself proposed this.

Mr. BOURGOIS (France) observed that quotas could, in any case, only be fixed with the consent of the producing countries. If their consent was not obtained, they would refuse to be parties to the Convention.

Point IV (12). Regulating stocks to be kept in producing countries at a fixed level under international and national control.

The CHAIRMAN observed that this point had already been discussed.

Sir Malcolm DELEIVINGNE (Expert) thought the point should be expressed otherwise. The level referred to was to be an average level calculated over a fixed number of years.

The CHAIRMAN said the word "fixed" might be replaced by "average".

Major COLES (United Kingdom) (Rapporteur) agreed.

Point IV (13). Question whether the future Convention should contain provisions for determining the level of stocks to be kept in consuming countries.

Colonel SHARMAN (Canada) said this point would require careful consideration so far as Canada was concerned. Owing to her distance from markets, Canada was obliged to keep fifteen months' stock. He thought such national aspects of the problem would have to be borne in mind.

/Point IV (14).

Point IV (14). Existing excessive stocks to be reduced over a period of years.

The CHAIRMAN said the point had already been considered.

Dr. MIHAILOVITCH (Yugoslavia) observed that the question was closely related to quotas and exports and would therefore require careful consideration.

Points V (15) and VI (16).

(15) International Control. The execution of the Convention, as in the case of the Drugs Limitation Convention of 1931, to be supervised by a controlling authority to be constituted in the manner laid down in the Convention and entrusted with such powers and duties as shall be specified in the Convention.

(16) National Control. Measures to safeguard the carrying out of the Convention by producing countries through national control; establishment of Government monopolies.

The CHAIRMAN observed that these questions would have to be discussed at the diplomatic conference.

Point VII. Question whether limitation could or should be combined with regulation of raw opium prices.

Major COLES (United Kingdom) (Rapporteur) said he had included this point in his list because he regarded it as closely connected with the question of binding estimates and with limitations in general.

Dr. HOO Chi-Tsai (China) agreed that limitations were bound to affect prices, but thought the question of prices should not enter into the work of the Committee. He thought it would be better if no reference were made to the regulation of raw opium prices in a convention concluded under the auspices of the League of Nations.

Mr. SADAK (Turkey) quoted page 30, paragraph 1, Document O.C./Confidential/27 (page 30). It was evident from this paragraph that a Convention must take prices into account and that these should be so regulated /as to provide

as to provide some measure of compensation to producing countries, for there could be no planned economy without regulation of prices.

Mr. RENBORG (Acting Director of the Opium Traffic Section) reminded the Committee that the Secretariat had devoted a chapter in Document O.C./Confidential/27 to the effects of the limitation of production on raw opium prices. The Secretariat had done this because it had realized when it had examined the details of the problem, that limitation might have such serious financial and economic repercussions that the Conference might break down if special arrangements were not made with regard to prices. The question affected both producing and consuming countries, as the latter would be bound by their estimates. Point VII did not mean that the Convention should contain price stipulations, but that the question of prices should be examined by the interested parties and by the Committee. It was probable that negotiations would take place regarding quotas and it was reasonable to presume that the question of prices might be considered at the same time.

The CHAIRMAN drew the Committee's attention to Document O.C./Confidential/32 which dealt with the price of raw opium.

Dr. MIHAILOVITCH (Yugoslavia) endorsed Mr. Sadak's statement. He pointed out that the extraction of opium from poppy straw tended to reduce the production of opium in producing countries. He emphasized the importance of Document O.C./Confidential/32 which gave an idea of the difficulties confronting the producing countries. He thought the document should have included a study on the great disparity in price between alkaloids and raw opium.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said the Secretariat had not entirely overlooked the question of the relation between the cost of raw opium and manufactured products. He quoted Document O.C./Confidential/27, page 29, second paragraph, and the first paragraph on page 19 of Document O.C./Confidential/32, both of which drew attention to this question.

/Colonel SHARMAN

Colonel SHARMAN (Canada) drew attention to the fact that while the price of opium had varied enormously from year to year the price of the finished products to the consumer varied very little. He agreed that an enquiry was desirable.

The CHAIRMAN said the price of raw opium per kilogramme in 1929 had been 81 Swiss francs. In 1937 the price had declined to 27 francs. The price of manufactured drugs throughout this period had, on the other hand, remained stable. He thought the attention of the Conference should be drawn to the matter. The forthcoming diplomatic conference should consider the question of prices.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said the Secretariat would undertake to do so, but the matter was one which would take some time and he would have to rely on the assistance of manufacturing countries.

DESTRUCTION OF SEIZURES.

Dr. MIHAILOVITCH (Yugoslavia) thought seized opium and manufactured drugs should be destroyed. This was the practice in the United States, but certain European countries sold seized drugs for the benefit of the Treasury. He proposed also that, when the state of origin could be traced, the amount of drugs seized should be multiplied by a certain prearranged figure (15, 20 even 100) and the resultant amount should be deducted from the country's export quota.

Colonel SHARMAN (Canada) observed that Canada had adopted the practice of destroying all confiscated drugs eight years ago.

Mr. RENBORG (Acting Director of the Opium Traffic Section) agreed with Dr. Mihailovitch that it might be considered reasonable to destroy seized drugs, but he doubted whether his other suggestions were practicable.

/Dr. HOO Chi-Tsai

Dr. HOO Chi-Tsai (China) thought Dr. Mihailovitch's proposals would help considerably in suppressing illicit traffic. They might prove harsh in some cases, but they would be effective, just as the punitive measures adopted against navigation companies had proved effective.

The CHAIRMAN thanked the Rapporteur, Major Coles, for his document, the discussion of which was now closed.

TENTH MEETING

held on June 3rd, 1938, at 10.30 a.m.

REPORT OF THE SUB-COMMITTEE APPOINTED TO DISCUSS ANNEXES
I AND II TO DOC.O.C./CONFIDENTIAL/27.

Mr. SVOBODA (Czechoslovakia) said it would doubtless appear at first sight that observations connected with Czechoslovakia as a manufacturing country were not directly concerned with the point under discussion. That, however, was not so. Poppy cultivation was widespread in Czechoslovakia, especially in the southern districts. Its only purpose, of course, was the production of poppy seeds. It was, however, not surprising that during the first years of the Republic specialists had attempted to produce opium, and indeed had managed to obtain fairly good results as far as morphine content was concerned. In spite of the economic value of such attempts the authorities had decided to forbid them, in order not to increase the possibilities of abuse. With regard to the use of poppy straw as a raw material, the authorities refused some years ago to grant the request of two important companies which had wished to introduce the manufacture of morphine by extraction. All that had been done was to authorize one factory to carry out experiments. As was shown in the annual reports, opium only had so far been used as a raw material. The position with regard to manufacture in Czechoslovakia was therefore somewhat different from that in Germany, Hungary and Poland, and it was to be hoped that the intentions of the Czechoslovak Government would be duly appreciated. It should, however, not be forgotten, particularly in producing countries, that unexpected circumstances might sometimes necessitate changes with regard to manufacture.

The Committee took note of the Czechoslovak representative's declaration.

Page 1 of the report.

No observations.

Section 5.

Question of consistence and morphine content of raw opium.

No observations.

Section 6.

Question whether estimates of consuming countries should be submitted in terms of raw opium or in terms of morphine.

No observations.

/Section 8.

Section 8.

Standardization of opium.

No observations.

Section 9.

Question whether estimates in regard to area to be sown should be required from producing countries.

Sir Malcolm DELEVINGNE (Expert) said he had understood that the "certain producing countries" mentioned in the first line were to be named, in view of the fact that special mention was made of the representative of China in the final paragraph.

Major COLES (United Kingdom), Rapporteur, agreed to amend the first line as suggested.

Section 11.

Points concerning estimates submitted by consuming countries.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the omission of the words "to an ever-increasing extent" in the second paragraph had been suggested.

Mr. DELGORGE (Netherlands) asked whether some opium was sold indirectly.

Mr. MIHAILOVITCH (Yugoslavia) proposed the sentence should begin as follows: "The representatives of certain producing- exporting countries". He had explained the way in which the Yugoslav-Turkish central office worked.

Mr. PILOSSIAN (Iran) said that Iranian opium was also sold direct.

Mr. MIHAILOVITCH (Yugoslavia) thought that in view of Mr. Pilossian's statement, the omission of the words "to a certain extent" was all that was necessary.

Mr. DELGORGE (Netherlands) thought that the sentence would then not make sense.

/Mr. MIHAILOVITCH

Mr. MIHAILOVITCH (Yugoslavia) understood that the reference was to opium for manufacture. What was the position with regard to opium intended for smoking?

Mr. PILOSSIAN (Iran) said that opium intended for smoking was sold through agents, but as the monopoly issued the necessary certificate and appointed the agent, such transactions amounted to direct sales.

Mr. MIHAILOVITCH (Yugoslavia) said that he would leave the matter to the Rapporteur.

The CHAIRMAN noted that the Rapporteur would re-arrange the text in the light of a discussion.

Major COLES (United Kingdom), Rapporteur, thought that if the passage were amended as suggested, it would appear that producing-exporting countries sold only to manufacturers. In fact, however, they also sold to merchants.

Mr. MIHAILOVITCH (Yugoslavia) asked what the Rapporteur meant by merchants.

Major COLES (United Kingdom), Rapporteur, explained that he meant an individual or firm buying opium outright, not in order to manufacture, but so as to resell to manufacturers.

Mr. MIHAILOVITCH (Yugoslavia) said that the Turkish-Yugoslav central office did not sell opium for resale: it only sold it direct to manufacturers,-- or in small quantities to druggists for the extraction of tincture, as that facilitated control.

Mr. DELGORGE (Netherlands) suggested that the practice of other producing countries might, however, not be the same.

Mr. MIHAILOVITCH (Yugoslavia) said that was why he had suggested that the reference should be to "certain producing-exporting countries".

/Mr. PILOSSIAN

Mr. PILOSSIAN (Iran) considered the paragraph superfluous. Iran had hitherto only sold to manufacturers, but should a merchant holding a licence from his Government ask to purchase, producing countries would presumably not refuse to sell.

Phya RAJAWANGSAN (Siam) said that when the Siamese Government desired to purchase a certain quantity of opium it invited tenders and chose the most advantageous. The order might be given to a merchant in London, but the opium would be sold direct from the producing country to the Siamese monopoly under an import certificate, and the sale would be notified to Geneva. Would such a transaction be regarded as a direct or an indirect sale?

Mr. RENBORG (Acting Director of the Opium Traffic Section) pointed out that Section 11 dealt with "points concerning estimates submitted by consuming countries." The second paragraph was therefore perhaps unnecessary.

Producing countries had already described their methods of sale. That could be regarded purely as information, and left to the minutes.

Mr. DELGORGE (Netherlands) proposed that in the light of the discussion which had taken place, the whole paragraph be retained in its original form.

Agreed.

Sections 13 - 19.

Points raised in regard to the Quota System and the Free Order System.

No observations.

Sections 20 - 23.

Combination of the two Systems.

No observations.

Section 24.

The question of regulating stocks.

No observations.

Sections 34 - 37.

Reduction of existing stocks.

No observations.

/Appendix A.

Appendix A.

No observations.

Annex II.

No observations.

The Sub-Committee's report was accepted.

Mr. DELGORGE (Netherlands) asked whether the Sub-Committee's report would be inserted in the Committee's report.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that would depend on what the Committee decided when it discussed its report.

ANNEX II (To Doc.O.C./Confidential/27).

DRAFT RULES CONCERNING CONTROL OF THE CULTIVATION OF THE POPPY FOR THE PRODUCTION OF OPIUM -- DISPOSAL OF THE OPIUM GATHERED -- REPORTS OF YIELD.

The CHAIRMAN put Annex II to the Committee for discussion point by point.

Mr. DELGORGE (Netherlands) drew attention to the footnote on page 79. Cultivation of the poppy for the purpose of extracting morphine from poppy straw should also be covered.

Col. SHARMAN (Canada) said that the opinion had been advanced the previous day that some form of control over the cultivation of poppies for other purposes than for the production of opium should be established. What was contemplated in that connexion?

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the Annex had been prepared long before the discussion had taken place. He proposed the footnote should be omitted.

Sir Malcolm DELEVINGNE (Expert) said that there should also be an alteration in the title, so that it would definitely refer to the production of raw opium.

/Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Traffic Section) was in favour of keeping the document in its actual form. It contained rules which had been drawn up in consideration of the position in countries where poppies were cultivated for the production of raw opium.

Mr. NIND (India), referring to the footnote, said he took it that the rules mentioned would apply to areas where the poppy was cultivated for opium, as well as to the localities where the opium was actually produced.

Mr. CARNOY (Belgium) said it had been suggested that there should be control over the cultivation of poppies for other purposes than the production of opium. Such control should, however, be of a different kind.

The CHAIRMAN said that proposals in that connexion were contained in Doc.O.C./Confidential/36. The present document was only concerned with cultivation for the production of opium.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the Secretariat would presumably be instructed at a later stage by the Advisory Committee to prepare draft rules on the subject of cultivation of the opium poppy for other purposes.

Dr. BALLENEGGER (Hungary) thought the Committee should confine itself to a discussion of rules concerning the control of the cultivation of the poppy for the production of raw opium. The question of poppy straw could be discussed at a later stage.

Mr. PILOSSIAN (Iran) said that limitation of the production of raw opium would ultimately be achieved. Producing countries might, however, in the future, find it necessary to cultivate the poppy for the production of seeds for food, etc. That aspect of the problem might be examined on a subsequent occasion.

Major COLES (United Kingdom), Rapporteur, pointed out that the Committee were at present concerned with the principles on which a Convention should be based. They could hardly at the present stage discuss detailed rules

/such as

such as those contained in the document before them. Such rules might, however, be valuable at a later stage, and he would suggest that the Committee take note of them.

Mr. DELGORGE (Netherlands) and Mr. PILOSSIAN (Iran) supported Major Coles' suggestion.

Mr. MIHAILOVITCH (Yugoslavia), while not wishing to appear to be holding up the work, reminded members that he had on the previous day objected that they had not discussed rules concerning the extraction of morphine from poppy straw. He accepted the Rapporteur's suggestion, but only subject to express reservation on that point.

The Committee took note of Annex II.

NOTE ON THE LIMITATION AND CONTROL OF INTERNATIONAL TRADE.

Proposal submitted by Mr. Bourgois (France).

Dr. HOO Chi-Tsai (China) said Mr. Bourgois' proposal was very logical and should form an integral part of the proposed scheme. Otherwise what would be the use of the estimates required from consuming and producing countries?

Mr. BOURGOIS (France) thought that the first point in his note should raise no difficulties.

Dr. CARRIERE (Switzerland) agreed with Dr. Hoo as far as the first point was concerned. It was a logical consequence of the estimates system.

Mr. BOURGOIS (France) said that the second point, regarding an undertaking by producing countries not to export to any country a quantity in excess of that country's estimate, was more delicate. The question would be of special interest in connexion with those importing countries which were not parties to the proposed Convention. In the case of other countries, it was merely the logical sequel of previous obligations.

/Sir Malcolm DELEVINGNE

Sir Malcolm DELEVINGNE (Expert) thought that Mr. Bourgois' proposal required careful examination. Why was the first proposal more important under a free order system than under a quota system? It appeared to be fundamental in either case.

In connexion with the second point, Mr. Bourgois had referred to countries which would not themselves send in estimates but for which figures would be fixed by the Supervisory Body. It was difficult to see how such a scheme would work. Any Supervisory Body would be very reluctant to exercise powers of the kind suggested. If the Convention were to succeed, all important countries must be parties to it.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the first point raised by Sir Malcolm Delevingne would have to be studied before any future meetings were held to discuss the question of limitation.

With regard to the second point, past figures might provide some guidance. The whole question of binding estimates was complicated.

Sir Malcolm DELEVINGNE (Expert) in connexion with the second proposal, said that would mean that any Supervisory Body would be in the very invidious position of having to decide whether opium was to come from Turkey, Yugoslavia or Iran. The proposal that estimates should be binding in character was very important.

Mr. BOURGOIS (France) agreed with Sir Malcolm that the wording of the first proposal was not very happy. It was also true that the second point raised a delicate matter. He would suggest that the Committee merely take note of the fact that it would have to be considered sometime.

Mr. DELGORGE (Netherlands) said that the proposal contained no reference to the possibility of importing countries subsequently re-exporting supplies.

Sir Malcolm DELEVINGNE (Expert) said that point was covered by the mention of the 1931 Convention. That was presumably a reference to Article 12, which dealt with re-exportation.

/Mr. BOURGOIS

Mr. BOURGOIS (France) said that was the case.

Mr. DELGORGE (Netherlands), referring to the second sentence, asked how producing countries were to know what their quotas were.

Mr. STEINIG (Secretariat) explained that the Supervisory Body would have estimate figures showing the total exports allowed in the case of each exporting country.

Mr. BOURGOIS (France) thought, that even though quotas were established, it was possible that producing countries might wish to export excess quantities to consuming countries which were not signatories to the Convention.

Mr. DELGORGE (Netherlands) thought the Committee were agreed that some such provision as that suggested should figure in the future Convention.

Mr. AMAU (Japan) reserved the right to refer to his Government on this subject. He was not in a position to commit their attitude regarding the contents of the document under discussion.

Mr. BOURGOIS (France) thought it would be sufficient if it were stated in the Committee's report that the question was important and should form the subject of a special study.

Mr. DELGORGE (Netherlands) agreed with Mr. Bourgois.

Mr. RENBORG (Acting Director of the Opium-Traffic Section) thought that all members were in the same position as the Japanese representative. There was no question of coming to binding decisions in the Committee.

Mr. BOURGOIS (France) thought it advisable for the Committee definitely to express its acceptance of the final paragraph in the Note.

Proposals by the representative of Turkey.

Mr. SADIK (Turkey) asked whether the list of main principles on which a future Convention should be based which had been discussed on the previous day had been intended to be exhaustive. Certain principles had not been mentioned: for instance, that the Convention should be accepted by all producing countries, and that an undertaking should be given by non-producing countries not to start production.

Major COLES (United Kingdom), Rapporteur, said he had pointed out that the list was not intended to be exhaustive. Points of principle which had been raised in the course of discussion would all be referred to in the report.

Mr. SADAK (Turkey) thanked the Rapporteur.

He wished to raise an essential question, namely, that of sanctions. It was very difficult to apply the latter in the political sphere, but perhaps in the commercial sphere it might be easier.

He proposed that the consuming countries should undertake not to buy from countries which did not apply the Convention.

Mr. MIHAILOVITCH (Yugoslavia) supported the Turkish delegate's proposal. If the situation since the 1925 Convention had been studied it would be found that the respective sacrifices and advantages of the various producing countries had not been the same. Signatories of that Convention had made much greater sacrifices than countries which were not parties to it. In any new Convention there should be a clause obliging consuming countries only to buy from countries which applied the Convention.

Col. SHARMAN (Canada) was much interested in the Turkish delegate's proposal, and was inclined to favour it and recommend it to his Government. He would, however, like to know whether any members had objections to raise.

Mr. CARNOY (Belgium) presumed that it was only the last proposal made by the Turkish delegate that was being considered.

/Mr. DELGORGE

Mr. DELGORGE (Netherlands) suggested that the report should take note of the Turkish proposal, and of the fact that no member raised objections. There was no question of the Committee formally accepting the proposal.

Sir Malcolm DELEVINGNE (Expert) thought the Turkish proposal was implied in the whole scheme outlined in the memorandum submitted by the Secretariat.

Mr. RENBORG (Acting Director of the Opium Traffic Section) asked whether the Turkish and Yugoslav delegates would be satisfied if it were stated in the report that the question had been raised and should be discussed at a later stage.

Mr. SADAK (Turkey) said it was a fact that no objection had been raised with regard to his proposal, and he would ask that the principles on which it was based should be embodied in the report. Those principles were humanitarian in character and advantages might be taken of them not only for the future Convention but for all the Conventions already signed. They would be to the credit of the Committee.

Mr. MIHAILOVITCH (Yugoslavia) said that the future Convention should not merely aim at the limitation of cultivation; it should be based on humanitarian principles. The task of the proposed Conference would be to facilitate the work of countries which were applying such principles. Sacrifices made by those countries should be taken into account. He hoped that other countries would realize the great difficulties with which Yugoslavia had been faced. Even before the establishment of the Turkish-Yugoslav Central Office, his country had applied the 1925 Convention in its entirety. Yet it had found itself in a much worse position than countries which were not parties to that Convention. He would illustrate this by two examples. In 1935, the Central Office had been about to sell a large quantity of opium to Manchukuo. The Commercial Attaché of a certain great Power had told the Central Office that the consignment would be seized en route during transshipment as Manchukuo was an integral part of China, and an import permit from that country was necessary. The outcome was that a country which had not signed the Convention furnished the supplies. The second case he had in mind was that of certain European countries which, after the entry into

/force

force of the Turkish-Yugoslav Agreement on Opium, had found it more advantageous to go to non-signatory countries for their purchases. The Turkish proposal was of primary importance from the point of view of the humanitarian principles on which the League of Nations was based.

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) said that the Turkish proposal concerning sanctions against producing countries which did not apply the Convention was both just and logical. He would recommend it to his Government.

Dr. HOO Chi-Tsai (China) also warmly supported the Turkish delegate's proposal.

Mr. BOURGOIS (France) thought the Turkish proposal could be mentioned in the report, together with a statement to the effect that certain members had said that the proposed scheme would imply that supplies would be furnished only by parties to the Convention.

Discussion of ANNEX III to Document O.C./Confidential/27

Points for consideration regarding the position under a limitation scheme of countries which produce opium and use it in whole or in part for internal purposes.

Mr. MIHAILOVITCH (Yugoslavia) regretted that the document under discussion did not deal with the question of the extraction of morphine from poppy straw, and took note of the fact.

Paragraph 1.

No observations.

Paragraphs 2 and 3.

Mr. AMAU (Japan) made a statement in the following terms:

"Annex III to the document O.C./Confidential/27 deals with certain problems relating to the production and export of opium in certain groups of the producing countries. Among the producing countries listed, Japan and Korea are dealt with at some length. In the paragraph on Japan, it is stated as follows: When the Convention is being prepared, it will be necessary to ask Japan to define her policy. That is to say, will she

/continue

continue to utilize her production for her own needs and to import any further opium which may be required? And will she abstain from developing production so as not to have any surplus which would result in a claim to share in the export market?

"A similar question was raised in the case of Korea. That is to say: 'In the case of Korea too it will be necessary to ask the Japanese Government to define its policy. Apart from opium sent to "Manchoukuo", will exports from Korea be confined to other Japanese territories so long as the smoking of opium continues there? Since Japan is pledged, under the Hague Convention, 1912, and the Geneva Agreement, 1925, to secure the gradual reduction and final extinction of opium smoking in those territories, will steps be taken to diminish the area under poppy in Korea if the opium available is in excess of the raw opium required for manufacture into prepared opium in other Japanese territories? Or will a claim be made that Korea shall share in the general export market although she has none now?'

"The question of the future policy of a country with reference to the production of opium and its utilization is a general question which may be raised with all States concerned at a conference when it is called to discuss a specific convention embodying a specific scheme of limitation. There is no reason why Japan alone is singled out in the document.

"We are now at the stage of preliminary discussion on the preparatory work with a view to the holding of a conference to consider the possibility of limiting and controlling the cultivation of the opium poppy and the production of raw opium. When a Conference is held, the question of a policy may be discussed.

"In my opinion, therefore, the part of the question quoted above is quite useless and should be suppressed.

"In the case of Korea, the second paragraph on page 83 -- which has been quoted above -- should be suppressed for the same reasons. Moreover, the question raised in this paragraph appears to be confusing. For example, a reference is made to relation between the area under poppy cultivation in Korea and Japan's pledge in the Hague Convention and in the Geneva Agreement. The fulfilment of Japan's obligation under these two international agreements is clearly set forth each year in the annual

/reports

reports furnished by my Government. There is no obscurity left in that policy. On the other hand, Korea's area under poppy cultivation does not solely depend upon the needs of opium in the opium smoking territories. There are many other factors which she should take into consideration before the Korean Government General should decide the area to be cultivated for opium production. They are not called upon to define their policy based upon the secondary factor alone, namely the diminution of opium consumption in our territories where opium smoking is still permitted."

Mr. RENBORG (Acting Director of the Opium Traffic Section) assured the Japanese representative that the Secretariat had had no intention of singling out Japan. He was sorry if the wording of the passage relating to Japan and Japanese possessions was different from that of similar references to India and Iran. The Secretariat's intention had only been to draw attention to the situation in a number of producing countries. The Secretariat was at the disposal of the Japanese representative, and would be glad if he could give it the information necessary for an accurate account of the position in Japan and the Japanese possessions.

Mr. AMAU (Japan) said that he quite understood the Secretariat's point of view. He had intended to get in touch with the Secretariat, and had only stated the Japanese viewpoint at this juncture because the document had already been distributed. The question was not very important, but the point he had wished to stress was that there should be uniformity as far as the descriptions were concerned.

Paragraph 4.

Dr. HOO Chi-Tsai (China) suggested certain amendments in order to define the object which the Chinese Government wished to attain, namely the total abolition of opium smoking.

Paragraph 5.

No observations.

/Paragraph 6.

Paragraph 6.

Sir Malcolm DELLVINGNE (Expert), referring to the statement at the bottom of page 84 to the effect that the districts of the Shan States to the east of the River Salween were almost inaccessible, thought that statement was rather an exaggeration. He had driven there himself by car on quite a good road.

Mr. RENBORG (Acting Director of the Opium Traffic Section) suggested that the passage should be amended so as to state that some parts were almost inaccessible.

Paragraph 7.

Mr. NIND (India) said that there was a slight error in the first sentence. It should be amended so as to read: "India has now ceased to export opium except to Burma and Aden, both of which until last year were a part of the Indian Empire." It should also be stated that small quantities were exported to Zanzibar for Indians resident there. He thought the assumption at the end of the passage referring to India would prove correct.

Paragraph 8.

No observations.

Paragraph 9.

Mr. MIHAILOVITCH (Yugoslavia) asked whether the Acting Director could explain what was meant by the phrase "in the same way as for the export trade". Did that refer to export quotas or to estimates for home consumption?

Mr. STEINIG (Secretariat) said that Yugoslavia was both a producing and a manufacturing country. In the latter capacity it would be bound in the same way as other manufacturing countries (such as France) to prepare estimates of the quantities required for manufacture.

Mr. MIHAILEVITCH (Yugoslavia) said he was of course aware that his country was a manufacturing country. He proposed that the text should be drafted so that its meaning would be obvious at the first sight.

/Mr. STEINIG

Mr. STEINIG (Secretariat) suggested that the phrase might be redrafted so as to read: "in the same way as for other consuming countries".

Mr. MIHAILOVITCH (Yugoslavia) agreed.

Paragraph 11.

Dr. BALLENEGGER (Hungary) stressed the fact that Hungary was not an opium producing country.

Paragraph 12.

No observations.

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ELEVENTH MEETING

held on June 14th, 1938, at 3.30 p.m.

DRAFT REPORT OF THE PREPARATORY COMMITTEE

The Chairman called on Major COLES (United Kingdom), Rapporteur, to present his report.

Major COLES (United Kingdom), Rapporteur, said that he had tried to present a report which fairly reflected the views expressed in the Preparatory Committee upon the main principles of limitation and control. It was the result of a careful study of technical material placed at the disposal of the Committee, and of the declarations made by the various members.

He did not claim that the report was in any sense a final comment, and he anticipated that certain members would wish to present amendments to passages in which they were more particularly interested; but he would ask those who presented such amendments to weigh their words as carefully as he had weighed his own. The report represented in many important particulars a compromise between divergent opinions; and amendments moved in one sense might render necessary corresponding amendments in the opposite direction, if the balance which he had tried to maintain in presenting the case as a whole was not to be destroyed.

The difficulty of his task would be fully appreciated by anyone who read the report. He had done his best to present a fair and impartial summary of the results of the work in the Committee, to take into account all the various aspects of the problems covered, to state the measure of general agreement reached, and to indicate such divergences of opinion as had a direct bearing on the principles discussed.

The CHAIRMAN then put the report to the Committee for discussion, in the course of which certain amendments were proposed and points of principle raised.

Pages 1 - 4

No observations.

Pages 5 - 8

Title.

/Major COLES

Major COLES (United Kingdom), Rapporteur, explained that he had adopted the title which appeared at the top of page 5 in preference to that previously used, which was not sufficiently wide.

Introduction

(a) Initial Objects of the Proposed Convention.

Colonel SHARMAN (Canada), in connexion with the reference in the second paragraph on page 8 to "those of the Government monopolies by which the smoking of opium is controlled and limited in the countries where the practice still exists", said that he had on a previous occasion drawn the Committee's attention to a case in which figures were given showing that 96 per cent of the opium smoking was illicit. It would therefore be better to say "including those of the Government monopolies by which an attempt is made to control and limit the smoking of opium...".

Major COLES (United Kingdom), Rapporteur, remembered Colonel Sharman's remarks regarding Hong Kong, and agreed that, as was acknowledged by the Government, the position there was not satisfactory. He had not, however, thought it necessary to make a special exception on account of that one case. In other countries it was admitted that monopolies did exercise control. If, however, an amendment was necessary, he would suggest that the words "by which the smoking of opium is controlled and limited" be omitted and the words "of opium smoking" be inserted after the word "practice".

Colonel SHARMAN (Canada) said that he was not referring to Hong Kong alone. The position was, he believed, similar in certain other territories as well. But he was quite prepared to accept the Rapporteur's amendment.

Mr. RAJAWANGSAN (Siam) thought that, if the words referred to were omitted, it would appear that production in countries where monopolies existed was in excess of world requirements. In Siam, however, that was not the case. The difficulties of the authorities there were due to the large amount of opium entering the country by way of the illicit traffic.

The Rapporteur's amendment was accepted by the Committee.

/Mr. CARNOY

Mr. CARNOY (Belgium), referring to the second sentence in the second paragraph on page 8, asked what was meant by "500 tons for other non-medical consumption".

Mr. COLES (United Kingdom), Rapporteur, explained that the reference was to opium for non-medical consumption in India and Iran.

Dr. MIHAILOVITCH (Yugoslavia) said that in the last paragraph on page 7 references were made to the views of a Commission of Enquiry which had been sent to the Far East, and to the agreement of the Bangkok Conference in 1931 with those views. He would like to see a reference to the conclusions of the Commission of Enquiry which had been sent to Iran.

Major COLES (United Kingdom), Rapporteur, said the Commission of Enquiry to Iran was mentioned higher up on the same page. The paragraph to which Dr. Mihailovitch had referred was merely intended to be introductory, and as such was adequate.

Dr. MIHAILOVITCH (Yugoslavia) accepted the Rapporteur's explanation.

Dr. HOO Chi-tsai (China) proposed that the words "China, north and south of the Great Wall" should be substituted for the words "China, Manchuria and Jehol" in the third sentence of the second paragraph on page 8.

Mr. AMAU (Japan) said that the meaning of the phrase would then not be the same. The question was one on which it was difficult to agree. He proposed, however, that the Rapporteur should discuss the matter with the persons concerned.

Mr. RENBORG, Acting Director of the Opium Traffic Section, said that the denomination used in official correspondence was "Manchuria and Jehol, territory also known as Manchukuo". In the Committee the expression "China, north and south of the Great Wall" had also been used. The most correct solution would be to use the same term as that used in official correspondence.

/Dr. HOO Chi-Tsai

Dr. HOO Chi-Tsai (China) agreed with Mr. Amau that the Rapporteur should discuss the matter with the persons concerned so that the Committee should not waste time over it.

Major COLES (United Kingdom), Rapporteur, agreed.

(b) Further Developments.

(1) Connexion between the limitation of raw opium production and the suppression of opium smoking.

Dr. HOO Chi-Tsai (China) proposed that the words "along with a parallel reduction in the consumption of opium for smoking" be added at the end of the first paragraph on page 9, so as to take account of the suggestion he had made.

Major COLES (United Kingdom), Rapporteur, explained that the reference in the report was to decisions taken in the previous year. The suggestion made by Dr. Hoo during the present session was mentioned later in the report.

(2) Use of poppy straw for the extraction of opium alkaloids.

Mr. FULLER (United States of America) said that the paragraph at the bottom of page 9 might be misleading, because the question of extraction from poppy straw had actually been brought up at the time of the Conference which prepared the 1931 Convention.

Further, he suggested that in the following paragraph the entire poppy plant should be mentioned instead of "poppy straw", as processes existed where both the green plant and the dried poppy head were used.

Major COLES (United Kingdom), Rapporteur, with reference to Mr. Fuller's first point, said that he was aware a process of extraction had been mentioned in 1931. It had not, however, been noted by the Advisory Committee at that time. He would, however, accept the statement that it was first mentioned in 1931. He also accepted the second suggestion made by Mr. Fuller.

/(c) Control.

(c) Control of the poppy plant cultivated for purposes other than the production of opium.

Major COLES (United Kingdom), Rapporteur, explained that after drafting the third paragraph on page 10 he had seen the statements submitted by the representatives of Iran, Turkey and Yugoslavia and had decided that the paragraph as it stood was too short. A longer paragraph giving a short account of the statements made by the representatives of the countries concerned would be distributed to members in the form of an addendum.

The CHAIRMAN postponed discussion of the paragraph concerned until the addendum was received.

General observations

The CHAIRMAN called the Committee's attention to the statement that "the results arrived at do not commit the Governments represented on the Committee."

Main principles on which a future Convention might be based.

Mr. FULLER (United States of America) said that this was one of the most important parts of the Report and one which would attract the attention of the man in the street and, in particular, the journalist. The latter might conclude that after lengthy discussion the Committee had merely drawn up a plan to keep up prices and prevent competition in the production of raw opium. It was therefore essential that the passage should start with a statement of the purposes of the proposed Convention. He proposed that the statement should take the following form:

"Objectives of the proposed Convention:

1. To suppress the abuse of narcotic drugs;
2. To supplement the Hague Convention of 1912."

His Government would not be interested in any convention which did not contain clear provisions stating that these were its objections.

/Mr. SADAK

Mr. SADAK (Turkey) supported Mr. Fuller's proposal. The future Convention should complete, not only the Hague Convention of 1912, but also the Geneva Convention of 1925.

Dr. HOO Chi-Tsai (China) also supported Mr. Fuller's proposal, but suggested that the words "in particular of opium intended for non-medical consumption" should be added at the end of point 1) of the amendment.

Dr. CARRIERE (Switzerland) thought Dr. Hoo Chi-Tsai's amendment redundant.

Dr. HOO Chi-Tsai (China) pointed out that, as Mr. Fuller said, the important thing was for the man in the street to receive the right impression. The addition of the words he had suggested would make it clear to the man in the street what was meant by abuse.

Mr. RENBORG, Acting Director of the Opium Traffic Section, thought the man in the street would find it easier to understand the meaning of "abuse of narcotic drugs" than that of "opium intended for non-medical consumption".

The CHAIRMAN said that Dr. Hoo's interpretation would be recorded in the minutes.

Mr. Fuller's amendment was adopted in the following form:

"Objectives of the proposed Convention:

1. To suppress the abuse of narcotic drugs.
2. To supplement the Hague Convention of 1912, the Geneva Convention of 1925 and the Narcotics Limitation Convention of 1931."

I. Substances to be covered by the future Convention.

Mr. DELGORGE (Netherlands) presumed that the word "poppy" in the last line under point I should read "opium poppy".

Major COLLES (United Kingdom), Rapporteur, agreed.

/Mr. FULLER

Mr. FULLER (United States of America) suggested that, as the term "poppy plant" included all parts of the plant, it should be used throughout the document instead of such terms as "poppy straw and capsules".

Mr. RENBORG, Acting Director of the Opium Traffic Section, said that the substitution of the words "poppy plant" for "poppy straw" would not be accurate in every case; but the Rapporteur might be asked to make the change desired by Mr. Fuller wherever suitable.

Major COLES (United Kingdom), Rapporteur, agreed to do so.

II. Amount to which production of Raw Opium is to be Limited.

Dr. HOO Chi-Tsai (China) asked whether the phrase "subject to any provisions for that purpose which may be embodied in the future Convention" referred to provisions for the reduction of the production of opium for the purpose of smoking.

Major COLES (United Kingdom), Rapporteur, said that was so. The phrase was intended to cover the suggestions which had been made in the course of the discussions that there might be provision for a reduction year by year in the use of prepared opium.

Dr. HOO Chi-Tsai (China) said he himself understood the phrase to have that meaning for the reason that he had followed the discussion; but others who had not been present might not interpret it in the same way. He therefore suggested that the words "for that purpose" should be replaced by the words "limiting such use".

The CHAIRMAN thought the words "for that purpose" were sufficient.

Major COLES (United Kingdom), Rapporteur, felt that they conveyed what had been said at the time, and indeed went further than Dr. Hoo's suggested amendment, as they included the final suppression referred to earlier in the sentence.

Dr. HOO Chi-Tsai (China) said he would not insist.

/Mr. CARRIC

Mr. CARNOY (Belgium) said he presumed the words "the manufacture of prepared opium" (paragraph 1 (b)) referred to manufacture for uses at present allowed.

Major COLES (United Kingdom), Rapporteur, thought that was implied by the phrase "until opium smoking has been finally suppressed".

Mr. RENBORG, Acting Director of the Opium Traffic Section, with reference to Mr. Carnoy's observation, drew attention to the first phrase in paragraph 1. That meant that point (b) only referred to "recognized world requirements". The point was also brought out on page 19 of the Report. The meaning was made completely clear by the words "for that purpose".

Colonel SHARMAN (Canada) said he agreed with Mr. Fuller that it was essential that the principles on which the future Convention was to be based should be absolutely clear to the man in the street. Therefore he suggested -- and Dr. Hoo thought the same -- that the reference to final suppression in paragraph 1 (b) should be amended so as to take into account the period intervening before such suppression was achieved.

Dr. HOO Chi-Tsai (China) said that as the passage stood it might be interpreted as meaning that the future Convention might allow an increase in any given year, provided there was total suppression in some subsequent year.

Major COLES (United Kingdom), Rapporteur, agreed to discuss the text with Colonel Sharman, and amend it in such a way as to meet the objections which had been raised.

III. Methods of Achieving Limitation.

Dr. MIHAILOVITCH (Yugoslavia), in connexion with point 8, said he had already pointed out that a system of export quotas should be accompanied by agreement on the part of consuming countries to purchase the total amount of such quotas. Such a condition would be only just, in view of the

sacrifices which would have to be made by countries accepting a quota system. He proposed that the words "and that they should have the possibility to export guaranteed" be added at the end of paragraph 2 of point 8.

Mr. SADAK (Turkey) proposed that the words "in so far as possible" be inserted before the phrase in point 8, paragraph 1, commencing "not to produce in any year...". Owing to climate, etc., it was impossible to guarantee that production would not exceed a given quantity.

Major COLES (United Kingdom), Rapporteur, said this part of the report was merely a statement of principles which had been generally accepted. Too many caveats and provisos would render the report unintelligible. If members were patient, they would find later that all points of view expressed in the Committee had been taken into account.

Colonel SHARMAN (Canada) said that, as producing countries had stated that it was completely impossible for practical reasons (climate, etc.) to guarantee not to produce more than a given quantity, the passage in question should be modified accordingly.

Dr. MIHAILOVITCH (Yugoslavia), while supporting Mr. Sadak's proposal, suggested that the Rapporteur might amend point 7 (a) so as to read "a system of quotas of which the export would be guaranteed". Such a guarantee was the logical consequence of the quota system. In a free order system it would of course not be necessary.

Mr. SADAK (Turkey) said that, if the Committee was to discuss principles, the principles should be completely clear, or they would be meaningless. He was therefore bound to insist on an amendment in the sense he had indicated.

/Mr. RENBORG,

Mr. RENBORG, Acting Director of the Opium Traffic Section, said that in the light of the paragraphs at the bottom of page 10 and the top of page 11 he took it that the list of principles might be regarded as an enumeration of the principles on which the majority of the Commission were agreed. If the list was to be retained, it would be very difficult to include in it all the reservations which had been made. It would be better to omit it altogether.

The CHAIRMAN asked whether the delegates of Yugoslavia and Turkey would be satisfied if the suggestions they had made were duly noted in the minutes.

Colonel SHARMAN (Canada) wished it placed on record that he was opposed to the principle that producing countries should be asked to guarantee not to produce more than a given amount from a given area in any one year. The position was different in consuming countries such as Canada, where their estimates were not governed by climatic conditions, and where underestimation was possible in circumstances previously referred to.

Mr. MIHAILOVITCH (Yugoslavia) was the first to appreciate the work done by the Rapporteur. But he gathered from Mr. Renborg that the principles enumerated were to be regarded as those on which the majority of the Committee were agreed. In actual fact, however, the Committee had not been asked to vote on them. Therefore it was misleading to speak about a majority. Surely it was for producing countries to say what obligations they were able to assume. If they were to undertake some of the obligations mentioned in the report, contracts with the sun and rain would be necessary. The text must be amended to enable producing countries to do what was expected of them.

After some further discussion, Mr. SADAK (Turkey) and Dr. MIHAILOVITCH (Yugoslavia) accepted the Rapporteur's suggestion that the text of point 8, paragraph 1, should be amended so as to read "not to sow in any year a larger area in opium poppies than that which is expected to produce the quantity of raw opium allotted to them for production in that year and...".

/Dr. MIHAILOVITCH

Dr. MIHAILOVITCH (Yugoslavia) asked what had been decided with regard to point 7.

Mr. RENBORG, Acting Director of the Opium Traffic Section, said there was no difference in respect of the point under discussion between the quota system and the free order system. Under both systems exporting countries were guaranteed a certain export on the basis of the estimates: the only difference was that the quantity would vary under the free order system.

Mr. BAHRAMY (Iran) said that his silence did not mean that he took no interest in the report. He did not, however, feel it necessary to repeat what had already been said. The report as it stood represented the various points of view which had been put forward in the Committee. He would therefore urge his colleagues not to go too closely into details. The report was not binding on either delegates or their Governments.

Major COLES (United Kingdom), Rapporteur, suggested that Dr. Mihailovitch's point regarding 7 (a) would be met by the addition of the words "under either system the exportable quantity would be guaranteed by the binding estimates."

Dr. MIHAILOVITCH (Yugoslavia) thought the passage would still not be sufficiently clear. The position of exporting countries would not be the same under a quota system as under a free order system.

Mr. RENBORG, Acting Director of the Opium Traffic Section, said that paragraph 7 mentioned the two systems without expressing an opinion as to their respective advantages. If an amendment was made in the sense suggested by the Yugoslav representative, it could only be taken as referring to both systems, which were identical as far as the point under discussion was concerned. In both cases exports would be guaranteed by the binding estimates.

/Dr. MIHAILOVITCH

Dr. MIHAILOVITCH (Yugoslavia) did not wish to take up the Committee's time on this point, but insisted that an undertaking by consuming countries to purchase the amounts estimated was not the same as a guarantee that producing countries would be able to export the total amount of their quotas. He wished his observations to be recorded in the minutes.

Mr. RENBORG, Acting Director of the Opium Traffic Section, suggested the amendment of point 8, paragraph 2) in the sense of Dr. Mihailovitch's original proposal by the addition of the words "which would be guaranteed by estimates equivalent to an undertaking."

Dr. MIHAILOVITCH (Yugoslavia) accepted Mr. Renborg's suggestion. Three producing countries were represented on the Committee. As Yugoslavia only produced opium for the manufacture of drugs, it was fair that the Yugoslav quota should be guaranteed.

Mr. BAHRAMY (Iran) said that the Yugoslav representative was of course within his rights in defending his country's interests. The ultimate decision however did not rest with the Committee.

IV. Stocks of raw opium.

No observations.

V. International control of the application of the Convention.

No observations.

VI. National control.

No observations.

Page 14

Mr. DELGORGE (Netherlands) asked why the second paragraph on page 1 contained a reference to opium alkaloids. He was under the impression that it was opium alone which was under discussion, alkaloids being covered by the 1931 Convention.

/Major COLES

Major COLES (United Kingdom), Rapporteur, said he had understood the proposal of the Yugoslav delegate to be as reported on page 40, namely "that, as a logical accessory to the scheme of limitation, Governments should undertake to destroy all opium and manufactured drugs seized in the illicit traffic...".

Dr. MIHAILOVITCH (Yugoslavia) agreed.

Colonel SHARMAN (Canada) pointed out that the expression "manufactured drugs" included cocaine which was not an opium alkaloid.

Major COLES (United Kingdom), Rapporteur, said that he had taken the liberty of using the words "opium alkaloids", because he thought they represented what was meant, although the expression used at the time was "manufactured drugs".

Dr. HOO Chi-Tsai (China) recalled that the Yugoslav representative had suggested an arrangement whereby opium seized in the illicit traffic should be multiplied by an agreed co-efficient and deducted from the quota of the country of origin.

The CHAIRMAN said that this was a point for discussion at the future Conference; but a reference to it might be made now.

Dr. MIHAILOVITCH (Yugoslavia) asked whether the Rapporteur could amend the third paragraph on page 14 so as to indicate that the producing countries had drawn attention to the importance of prices, and that the question had been raised whether measures to maintain a reasonable level of raw opium prices should be discussed.

The CHAIRMAN said that, as the passage referred to a matter for discussion at the proposed Conference, a mere mention of the point in the report was sufficient.

I. Substances to be covered by the Future Convention.

Principle and Extent of Limitation.

(1) and (2) Poppy Cultivation for Raw Opium and
Production of Raw Opium.

This section was accepted subject to slight drafting amendments.

(3) Poppy Straw and Capsules as Raw Material for
Extraction of Opium Alkaloids.

Major COLES (United Kingdom), Rapporteur, indicated certain minor drafting corrections to be made in this section.

Mr. CARNOY (Belgium) said that reference was made to "limitation" and "control". The meaning of "limitation" was clear, but what was meant by "control"?

Major COLES (United Kingdom), Rapporteur, explained that "control" was a much wider term than "limitation" and was intended to cover licensing, formal declarations of intention not to cultivate, etc.

Mr. CARNOY (Belgium) thanked the Rapporteur for his explanation, but wished to point out that the statement in the last paragraph on page 18 to the effect that "no general support was found for the suggestion that control should be extended to the cultivation of poppy..." was not accurate. It was for limitation that no general support was forthcoming.

Major COLES (United Kingdom), Rapporteur, maintained his view that the passage in question reflected the views put forward in the Committee.

Colonel SHARMAN (Canada) presumed the report was intended to indicate that the suggestion had been made for some form of control such as that provided by the new Canadian laws concerning cultivation, to which he had referred.

/Major COLES

Major COLES (United Kingdom), Rapporteur, said that he had tried to meet Colonel Sharman's point by the sentence in the previous paragraph to the effect that "certain members of the Committee were of the opinion that adequate supervision ought to be exercised over the planting of poppy for whatever purpose...".

At the request of Mr. SADAK (Turkey), the Rapporteur agreed to amend the final paragraph on page 18 so as to indicate that certain members had not agreed with the views expressed.

TWELFTH MEETING

held on June 15th, 1938, at 3 p.m.

DRAFT REPORT OF THE PREPARATORY COMMITTEE (O.C./Confidential/41).

The Committee proceeded with the examination of the report page by page, various drafting amendments being made.

Page 19: II. Amount to which production of raw opium is to be limited.
Definition of recognised world requirements.

Dr. HOO Chi-Tsai (China) proposed that, in the second paragraph on page 19 (second line), the word "licitly" should be inserted after "drugs", as otherwise the statement that the amount of drugs manufactured corresponded more and more closely to "world requirements" would not be correct, in view of the present situation in "Manchukuo", Jehol, and elsewhere.

Agreed.

Page 24: III. Methods of achieving limitation.

3. Estimates by producing countries concerning quantities of raw opium to be produced.

Dr. MIHAILOVITCH (Yugoslavia) asked that the phrase "considerable divergence of view between representatives of certain producing countries and other members of the Committee" should be altered to "some divergence of view, etc." He thought the report should make it clear that the members of the Committee were agreed in principle, and that the differences between them were differences of method only.

Agreed.

Dr. Mihailovitch also proposed that in the sentence at the bottom of page 25, "he (the representative of Yugoslavia) drew attention to the further practical difficulties such as the absence of a land survey system in some producing countries", the word "some" should be replaced by "most", as the other producing countries, Turkey and Iran - he was not certain about India - had the same difficulties to contend with.

/Mr. NIND

Mr. NIND (India) said British India had a very extensive land survey system, so that it would not be correct to say "in all producing countries".

Dr. Mihailovitch's proposal was adopted.

Page 28: III.

Composition of the controlling authority.

Mr. BAHRAMY (Iran) pointed out that the statement at the bottom of page 28 that "the representative of Turkey had raised the question whether producing countries should not be represented on any controlling authority which might be set up under the new Convention" was not quite correct, as Turkey had referred to nationals and not to representatives.

Mr. SADAK (Turkey) explained that he had asked for an expert of Turkish nationality to be a member of any controlling authority, as a producing country like Turkey would naturally be very interested in the question of control.

Major COLES (United Kingdom), Rapporteur, proposed to amend the statement to read "whether there should not be an expert who was a national of the producing countries on any controlling authority which might be set up under the new Convention".

Agreed.

Page 33: first paragraph: III.

Methods of allocating opium production and exports among producing countries.

Dr. MIHAILOVITCH (Yugoslavia) thought the distinction he had made in a previous meeting between medicinal and smoking opium should have been mentioned under the heading "(a) The Quota System" (page 29 et seq.) and not in the general remarks at the end of the section on the "Methods of allocating opium production and exports among producing countries", as the question was definitely one of principle. It was inevitable that the controlling body should bear the distinction in mind when dealing with Yugoslav opium. Yugoslavia produced medicinal opium; it was not a country which supplied smoking opium to the Far East. As Dr. Hoo Chi-Tsai had said, it was therefore only equitable that she should be accorded special treatment in the allocation of quotas.

/Mr. BAHRAMY

Mr. BAHRAMY (Iran) deprecated the assertion of fixed principles at this stage in the proceedings. He was of the opinion that this part of the report should be left unaltered. There were two opposite points of view on the question. The Yugoslav delegate had the right to insert observations on behalf of his Government, so long as he did not claim to represent the opinion of all the members

Major COLES (United Kingdom), Rapporteur, thought the words "or eating" in the same paragraph should be omitted, as eating opium was not exported.

Agreed.

Page 33: IV. Stocks of raw opium.

1. Regulating stocks in producing countries.

Colonel SHARMAN (Canada) thought the first paragraph should be brought into line with Principle 8 on page 12 as amended on the previous day. It should be made clear that producing countries would agree not to sow a larger area than that which was expected to produce the quantity of raw opium allotted to them.

Agreed.

Page 37: IV.

3. Reduction of excessive stocks in producing countries.

The CHAIRMAN said this point, on which the Committee had not yet reached a decision, was of major importance and would require very careful consideration. It might seriously affect the possibility of actually arriving at the future international convention. The problem of destroying excessive stocks was an economic one; but, as the aims of a limitation convention were humanitarian, the parties would have to be prepared to compensate countries which were obliged to destroy stocks.

Page 41: VI. National control in producing countries.

Destruction of seized opium and drugs.

Dr. HOO Chi-Tsai (China), referring to the first sentence on page 41, explained that he had not supported the first part of Dr. Mihailovitch's proposal, that is, that drugs should be destroyed; but the penalties which Dr. Mihailovitch had proposed should be applied to countries whose opium was found to have diverted

/into

into the illicit traffic. The present report did not mention the question of penalties. China had practised the destruction of drugs; but owing to the exceptional conditions now prevailing in the Far East, she was at present refining seized drugs for medical purposes. He would therefore be placed in a somewhat difficult position, if it appeared from the report that he had supported the destruction of seized opium and drugs.

Major COLES (United Kingdom), Rapporteur, pointed out that he had deliberately omitted the proposal of penalties in the report because he thought it impracticable to submit such a proposal to Governments.

Mr. SADAK (Turkey) proposed that "China" should, in that case, be replaced by "Turkey", as he too had supported Dr. Mihailovitch's proposal.

Agreed.

Page 42: VI.

Effects of the new Convention on raw opium prices.

Mr. SADAK (Turkey), referring to the first sentence of the second paragraph on page 42, to the effect that it was not thought that the Convention should contain provisions as regards regulation of prices, said that though the Convention need not contain provisions as regards the regulation of prices, it should lay down the principle of regulation. His country considered this an essential point, and he would ask the Rapporteur to include a statement to that effect in the present paragraph.

It was agreed to make the addition in the name of both the Turkish and Yugoslav representatives.

Page 42: Certain questions of a general character.

1. The universal application of the future Convention.

Dr. HOO Chi-Tsai (China), referring to the last sentence in the above paragraph, "it was recognised that the Convention could not come into force unless and until it had been ratified by all the producing countries", pointed out that, if ratification by all the producing countries was an essential condition, the Convention would never come into force.

/Dr. MIHAILOVITCH

Dr. MIHAILOVITCH (Yugoslavia) explained that he had definite instructions from his Government to state that Yugoslavia could not become a party to the Convention unless the latter was ratified by all countries, and notably by all producing countries. Yugoslavia's past experience had been such that she could not again run the risk of being a party to a Convention which was not ratified by other producing countries.

Colonel SHARMAN (Canada) said the point had already been discussed and the difficulty circumvented by using the formula mentioned in the same paragraph: "countries which produced the raw materials in important quantities". He agreed with Dr. Mihailovitch that ratification by all producing countries was desirable; but, assuming all producing countries adhered with the exception of e.g. Afghanistan which was not represented, should all the other countries be held up because one producing country of lesser importance was left out?

Dr. MIHAILOVITCH (Yugoslavia) explained that he was giving the opinion of his Government and had to adopt such an attitude in principle. It was for his Government to decide whether a producing country was sufficiently important or not.

Colonel SHARMAN (Canada) said the logical conclusion would be that, if one country failed to attend the Committee, the members might as well go home.

Dr. HOO Chi-Tsai (China) pointed out that the sentence discussed did not mean that all the countries concerned must ratify the Convention, but that the countries which signed would be prevented from applying the Convention until it had been ratified by all the producing countries.

Mr. BAHRAMY (Iran) thought the matter should not be discussed at present. Circumstances might change and pessimism was premature. With reference to Colonel Sharmen's observation in regard to the less important producing countries, he would however observe that, if small producing countries were ignored and remained outside the Convention, their production might increase as a result, to the detriment of producing countries which were parties to the Convention.

/Mr. SADAK

Mr. SADAK (Turkey) thought the report should only reflect the various tendencies observed in the Committee and the discussions which had taken place. The Turkish and Yugoslav point of view that the Convention should not come into force until ratified by all producing countries, and the other point of view that the Convention should be applied before it had been ratified by all the producing countries, should both be recorded in the present report.

Mr. REINBORG, Acting Director of the Opium Traffic Section, drew the Committee's attention to point 4 (page 44) "Obligation not to import or export raw opium from or to non-parties to the Convention". This provided a form of penalty for countries remaining outside the Convention, which would perhaps help to solve the present difficulty. He thought the matter should not be discussed at present, but left for the Conference.

Dr. MIHALLOVITCH (Yugoslavia) agreed with Mr. Eahramy that it was dangerous to leave a producing country outside the Convention. Yugoslavia had realised that to her cost since she had signed the 1925 Convention. He would add that he was prepared to accept any text in the present report, provided he was allowed to make his reservation.

Dr. CARRIERE (Switzerland) thought the point discussed was beyond the Committee's competence and that it should be left to the Conference to decide on it. The Committee would remember how the 1931 Conference dealt with the question of universality. He thought, however, that the views of the various delegates should be recorded in the present report.

Dr. KARADJOFF (Bulgaria) thought the Convention need not be signed by all the producing countries to be effective. One country should not be allowed to veto the application of an international Convention.

Major COLES (United Kingdom), Rapporteur, suggested that the sentence should be redrafted as follows:

"It was urged by the representatives of Turkey and Yugoslavia that the Convention should not come into force unless it had been ratified by all the producing countries."

/Dr. HOO Chi-Tsai

Dr. HOO Chi-Tsai (China) agreed with the Rapporteur. The sentence, as it now stood, conflicted with point 4 (obligation not to import or export raw opium from or to non-parties to the Convention) on page 44. How could the provisions of the Convention be applied for a boycott of producing countries which remained outside the Convention, if the Convention could not be applied until all the producing countries had signed and ratified it?

Colonel SHARMAN (Canada) supported Dr. Hoo Chi-Tsai's argument.

Dr. MIHAILOVITCH (Yugoslavia) explained that he had never said the Convention could not come into force, unless it was signed by all the producing countries. What he said was that Yugoslavia could not accept the Convention, unless it was signed by all the producing countries. Could the report not state that the Yugoslav and Turkish representatives had said their Governments would be unable to adhere to the Convention unless and until it had been signed by all the producing countries? There would thus be no question of holding up the Convention.

Mr. BOURGOIS (France) agreed with Dr. Karadjoff that a Convention to which all producing countries were not parties would at any rate be more satisfactory than no Convention at all.

Major COLES (United Kingdom), Rapporteur, repeated his proposed amendment. He could not make out whether it was, or was not, acceptable to the Committee.

Dr. MIHAILOVITCH (Yugoslavia) said that he and Mr. Sadak did not need to go so far. They would be satisfied with the record of their reservation.

Colonel SHARMAN (Canada) desired to know whether he was right in assuming that, until all other countries had ratified the Convention, neither Turkey nor Yugoslavia would do so?

The CHAIRMAN said that was the position.

/Dr. MIHAILOVITCH

Dr. MIHAILOVITCH (Yugoslavia) explained that he had no desire to threaten the Committee. He would ask Colonel Sharman to read Appendix II to the present report. After signing the 1925 Convention, Yugoslavia and Turkey found that certain non-signatory countries were supplying the Far East and, in particular, "Manchukuo". These countries were now turning to Europe and encroaching on the Yugoslav and Turkish licit markets. Turkey and Yugoslavia did not wish to be in a similar position under a new Convention; and it was therefore imperative for them to make reservations for the event of the Convention not being ratified by all the producing countries.

The CHAIRMAN said the matter had better not be discussed at present; but the Committee must agree to place on record the Turkish and Yugoslav declarations.

Mr. BAHRAMY (Iran) said he had orders from his Government not to engage in political discussions; but certain insinuations had just been made regarding the manner in which Iran disposed of her opium. If the Committee desired, he could cable his Government for instructions.

Mr. RENBORG, Acting Director of the Opium Traffic Section, thought the solution for Turkey and Yugoslavia would be to ratify the Convention with reservations as to the conditions under which the Convention would come into force.

Mr. SADAK (Turkey) wished to reassure Colonel Sharman. When he referred to producing countries, he did not intend to include countries such as the one Colonel Sharman had mentioned.

Colonel SHARMAN (Canada) observed that, in any case, the contradiction to which Dr. Hoo Chi-Tsai and he had referred still remained in the text of the report.

It was agreed that the Rapporteur's amendment should be inserted in the report.
The report as amended was adopted.

The CHAIRMAN thanked the Rapporteur, on behalf of the Committee, for having so faithfully reproduced the views of the various members. The Committee's discussions had at times been somewhat heated. That was proof that the report had
/been treated

been treated seriously, and that members were anxious that their views should be accurately reproduced. He also desired to thank Mr. Bourgois, who had prepared the first outline of the Convention.

Mr. BOURGOIS (France) seconded the Chairman's thanks to the Rapporteur.

Mr. BAHRAMY (Iran) thanked the Chairman on behalf of the Committee for his tact in conducting the discussions of the Committee.

Mr. FULLER (United States of America) summed up the Committee's work in words once used of certain aldermen in New York: "They've seen their duty: they've done it: and in so doing they've done noble".

The Preparatory Committee adjourned.

Part II

ADVISORY COMMITTEE ON TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS

Minutes of the 23rd session, held in Geneva
from 7 to 24 June 1938, which are concerned with the Report of the
Preparatory Committee for a Conference to Examine the Possibility of Limiting
and Controlling the Cultivation of the Opium Poppy and the Production of Raw Opium.

Source: League of Nations document C.249.M.147.1938.XI.

List of Members

Mr. J. H. Delgorge (<u>Chairman</u>)	Netherlands
Major W. H. Coles (<u>Vice-Chairman</u>)	United Kingdom
Dr. H. Carriere (<u>Rapporteur</u>)	Switzerland
Mr. Carnoy	Belgium
Dr. D. Karadjoff	Bulgaria
Mr. E. Silianoff (Substitute)	
Colonel C. H. L. Sharman C.M.G., C.B.E., I.S.O.	Canada
Mr. A. Rive (Adviser)	
Dr. C. T. Hoo	China
Mr. T. Chen (Substitute); Mr. Y. M. Lee (Secretary)	
Dr. J. Svoboda	Czechoslovakia
Russell Pasha	Egypt
Mr. G. Bourgois	France
Mr. J. P. Razet (Technical Adviser)	
Mr. A. Embiricos-Coumoundouros	Greece
Mr. W. W. Nind	India
Mr. A. Bahramy	Iran
Mr. E. Amai	Japan
Mr. M. Inagaki, Mr. S. Ikawa (Experts); Mr. Kanayama (Secretary)	
Mr. M. Tello	Mexico
Mr. M. Garza-Ramos (Substitute)	
Mr. G. B. van Blokland (Substitute)	Netherlands
(Absent)	Peru
Dr. W. Chodzko	Poland
Dr. E. Fernandes	Portugal
Dr. M. Gaivao (Expert)	
Mr. P. Rajawangsan	Siam
Mr. L. C. Dithakar (Secretary)	
Mr. F. Carreras Reura	Spain
Mr. V. Hurtado, Mr. A. Rife (Substitutes)	

List of Members
(continued)

Mr. N. Sadak Turkey
 Mr. S. Berkin, Mr. H. Erkan (Substitutes)
Mr. S. J. Fuller United States of America
 Mr. H. J. Anslinger, Mr. B. Wait (Experts)
Mr. A. de Castro Uruguay
Mr. I. Soubotitch Yugoslavia
 Dr. S. Gavrilovitch, Dr. D. Mihailovitch (Substitutes)

Assessor: Dr. F. Y. M. de Myttenaere.

Secretary: Mr. B. Renborg, Acting Director of the Opium Traffic Section.

All the discussions were held in public.

The representatives of Czechoslovakia, Peru and Uruguay were absent from all meetings. Turkey was not represented at the 13th, 15th and 19th meetings. Mr. A. Embiricos-Coumoundouros (Greece) and Mr. P. Rajawangsan (Siam) did not attend the 15th meeting. Mexico, Poland and Portugal were not represented at the 19th meeting. Sir M. Delevingne (Expert: United Kingdom) attended the 12th meeting.

ELEVENTH MEETING

Held on June 17th, 1938, at 10.30 a.m.

CONSIDERATION OF THE REPORT OF THE PREPARATORY COMMITTEE FOR A CONFERENCE TO EXAMINE THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM (document O.C.1744).¹

The CHAIRMAN said the business of the Committee to-day is to discuss the report submitted to it by the Preparatory Committee on the main principles which might serve as a basis for a future convention for the limitation and control of poppy cultivation and production of raw opium, and for the control of all other raw materials from which opium alkaloids may be extracted. The Preparatory Committee met on May 23rd and has held twelve meetings; there have been four meetings held by a Sub-Committee. It is a pleasure for me to announce to-day, in this public session of the Advisory Committee, that the work of the Preparatory Committee has met with complete success. I think this is to no small extent due to the fact that we have worked in private sessions where we were able to exchange freely our ideas and to explain to each other the situation of our various countries with reference to this problem.

As a result of the Preparatory Committee's work you have before you now a definite plan for a future convention containing a set of the main principles which should be embodied in the future convention. The plan includes methods of ascertaining the recognized world requirements of raw opium and a scheme for adapting opium production to these requirements. I shall not go into detail here in regard to the plan itself, but I desire to state publicly that the report of the Preparatory Committee enables the Opium Advisory Committee to take an important step towards the final goal at which we are aiming -- namely, the suppression of the abuse of narcotic drugs. I should like also to lay stress on the fact that one of the great advantages of the future convention will be that it will make possible the final suppression of opium-smoking in countries and territories where it is still authorized, as the convention will limit opium production to recognized world requirements and will contain measures to reduce gradually the quantities of raw opium to be produced for the manufacture of prepared opium. Within a period to be fixed by the Conference the manufacture of prepared opium will cease, provided of course that the new convention will be effectively applied.

¹For the final text of the report, see document C.221.M.123.1938.XI.
(Ser.L.o.N.P.1938.XI.1), page 9.

I will not say that all the difficulties have been overcome. The plan drawn up provides for measures which in some respects are far-reaching and includes novelties in international legislation. The plan will now go to Governments for their observations and I feel confident that, next year, the Advisory Committee will be able to take another important step -- namely, the framing of the principal articles of the new convention. It is a pleasure for me, as Chairman of the Advisory Committee, to pay a tribute to the members of the Preparatory Committee for the spirit of international understanding and good-will which they have shown and which has made it possible to put before the Committee this plan for the future convention.

In conclusion, I would like to point out that the success achieved by the Preparatory Committee is all the more gratifying as attempts have been made from the outside to hamper and frustrate the Committee's work by false rumours and by spreading suspicion and sowing dissension. Such attempts could of course not influence the Committee's work, but they are none the less to be deprecated. This Committee, and the Preparatory Committee, are working and have always worked for a common goal -- namely, the saving of humanity from the drug evil which threatens its welfare and happiness.

Finally, I would like to pay a tribute to the Secretariat which by its very thorough preparatory work has in no small measure contributed to the success of our task.

Dr. CHODZKO (Poland), Chairman of the Preparatory Committee, said that it was a pure formality for him to submit the report, since all the members of the Advisory Committee had also been members of the Preparatory Committee.

The CHAIRMAN announced that a communication had been received from the Yugoslav Government stating that Mr. Verjitch would participate in the Committee's work as expert.

The Preparatory Committee's report had already been discussed in detail by the Preparatory Committee itself; he invited the members of the Advisory Committee to discuss the report as a whole before passing to its adoption.

Mr. SADAK (Turkey) congratulated the Rapporteur on the objective nature of his report which faithfully reflected the discussions in the Preparatory Committee. He desired also to thank the Secretariat, in the person of the Acting Director of the Opium Traffic Section.

/The Rapporteur

The Rapporteur had had a difficult task. This vast and difficult question had been further complicated by differences that had often arisen regarding certain basic principles. In spite of those differences, the report was not pessimistic. As the result of a unanimous desire to find a sound basis for the future convention for limiting the production of opium, agreement had now been reached on a number of important points.

That same good-will existed also in Turkey which, as one of the chief producers of opium, had long ago set on foot, of its own accord, a vast programme of limitation. Poppy-growing, previously carried on in sixty-two provinces, was now restricted to seventeen; this reduction in the area under cultivation had obviously resulted in a reduction in the production of raw opium. Turkey was now producing an average of 217 tons a year, compared with her former annual output of 500-600 tons. Raw opium produced for scientific and medical purposes now amounted to 80,000 kilogrammes, compared with 243,600 kilogrammes in 1934.

The licit world requirements of opium had remained practically stable, and Turkey's exports were now only one-third of what they had previously been -- that was to say, an average of 117 tons per year. Limitation measures had been completed by the creation of a Government Monopoly. The prohibition of poppy growing over wide areas had made price regulation by the State necessary, in order that poppy cultivation should no longer be lucrative for the growers, who, moreover, were being encouraged to turn to other crops. The Government Monopoly purchased direct from the growers.

The Turkish Government had not only been able to cope with economic and financial difficulties; it had had, above all, to face a big social problem. The fact that it had been possible to solve those problems, at all events in part, was due first to the possibility of multiple crops in Turkey, and, secondly, to the Government's systematic policy of industrialization. A certain proportion of the peasants, engaged until recently in the cultivation of opium, were now growing beetroot, cotton, tobacco, etc. The Committee would realize, from the concrete facts just quoted, that in Turkey the ground was already prepared for the application of the future convention. Turkey's efforts might serve as a successful example of what could be done.

The fact should, however, be emphasized that, in the Turkish Government's opinion, a convention for the limitation of the production of raw opium could only be successful if it were based on principles of justice and equity. Turkey would play her part in ensuring the success of such an undertaking, even though it meant further sacrifices, provided that those fundamental principles were taken
/as a basis

as a basis in framing the proposed convention. By "principles of justice and equity" Mr. Sadak meant an equitable distribution of responsibilities and sacrifices between all the producing and consuming countries. With that as his starting-point, he had explained in the Preparatory Committee the essential conditions for Turkey's participation.

The future convention should, in the Turkish Government's view, supplement the gaps in the 1925 Convention. The Committee was laying the foundations of a great humanitarian undertaking, which would stand out in the annals of the League. That work was still in its beginnings, but no difficulties -- technical, economic or social -- must be allowed to shake their faith in the ultimate success of this common mission; it was only necessary, in order to strengthen that faith, to keep in mind the endless sufferings and misery which the countries could alleviate by suppressing the illicit traffic.

Mr. BAHRAMY (Iran) said that the task of the Preparatory Committee had not been easy and that its success was due to the tact and good-will of the Rapporteur and the individual members and to the assistance so readily given by the Secretariat. The plan now submitted was designed to cover a long period. Considerable divergence of opinion had been apparent, and there were still difficulties to be overcome. The Committee, was, nevertheless, justified in being optimistic.

The Iranian Government considered that the problem had economic, financial and social aspects, and was ready to co-operate. Special attention would have to be paid to one point in particular--the position of the peasants--when the Preparatory Committee's report was discussed in detail. The Iranian Government was prepared to enforce a policy of limitation of production within the country, and, in its international policy, to co-operate with the other countries. He had referred in the Preparatory Committee to the Ministerial Decree under which poppy-growing had already been prohibited in a number of areas suitable for cultivation, with the object of preventing any contamination of neighbouring territories. The institution of the Monopoly in itself represented progress; the Government dealt direct with the peasant producer and illicit dealings were, as a result, practically impossible.

In the Iranian Government's view, the future convention must solve the problem of production on an equitable basis, taking duly into account the interests of producing and consuming countries alike.

/Mr. MIHAILOVITCH

Mr. MIHAILOVITCH (Yugoslavia) associated himself with the tribute paid by previous speakers to the impartiality of the Chairman and Rapporteur of the Preparatory Committee and to the work of the Secretariat. The Yugoslav delegation had already explained in detail its attitude towards the question of the limitation of production. He now proposed simply to quote figures showing the areas sown and the annual production in Yugoslavia during the past few years. The average area sown, from 1925 to 1930 inclusive, was 11,580 hectares; from 1931 to 1936 inclusive, the area was reduced to 6,480 hectares. The average annual production of opium from 1925 to 1930 inclusive, was 115,000 kilogrammes; from 1931 to 1936 inclusive, it dropped to 48,000 kilogrammes.

Mr. Mihailovitch desired to sum up the Yugoslav Government's attitude towards the future convention. In the first place, his Government accepted the principle of the limitation of the production of opium, the methods to be established by common agreement at the future International Conference; secondly, the Yugoslav Government declared that, in framing the limitation convention, the legitimate interests of the producing countries should be taken into account and that, with that object, it was advisable (a) to institute also quantitative limitation of the production of morphine from the stalk or dried capsule of the poppy-plant (Hungarian system), (b) to give producing countries export quotas commensurate with their share of the international market, at all events during the past twelve years, at the same time distinguishing clearly between opium for the preparation of smoking-opium and opium for medical use, and (c) to make it possible for producing countries to substitute other crops for poppy crops in areas where the latter had been reduced. In the third place, the Yugoslav Government considered that the adoption of the Limitation Convention would be greatly facilitated if it were agreed to adopt the following measures: (a) to guarantee minimum prices for the limited quantities of opium produced, (b) to facilitate the disposal of existing stocks, and (c) to destroy opium and drugs seized in the illicit traffic. Lastly, the Convention should not come into force until all the countries concerned had acceded thereto, including, in the first place, those which produce and use raw opium.

Dr. KARADJOFF (Bulgaria) associated himself with the Chairman's tribute to the Preparatory Committee, the Rapporteur and the Secretariat. The Committee's progress had seemed slow at times, but the principles of the future convention which it was hoped to conclude were beginning to take shape. He had no further information to offer, but wished to accept his share of the responsibility which devolved upon all members of the Committee.

/The object

The object in view was to discover a satisfactory solution for a complex problem which must be considered under four aspects: humanitarian, social, industrial and penal. The purpose was to help mankind to rid itself of a scourge and to save it from degenerating. It was desired next to enable thousands of human beings to enjoy the benefit of their thankless and badly-paid labours, and, lastly, to obtain from the raw material the medicaments necessary for human needs. There was certainly no conflict of interests in that triple objective. All countries were bound by common interests and common duties in their efforts to suppress the illicit and immoral traffic which frustrated their humanitarian work. There were no real points of difference -- that had gradually become clear.

In the report submitted by the Preparatory Committee, a plan was now emerging from the chaos of individual ideas and individual interests. The Committee had only to face the problem resolutely to find a solution.

The Committee had to consider the possibility of limiting and controlling the cultivation of the opium poppy and, hence, the production of raw opium. At first sight, the solution appeared to be simple: determine the area to be sown. But statistics showed that the raw opium yield varied appreciably in any one country, and the degree of variation was even more striking in different countries, ranging as it did from 1.6 kilogrammes to as much as 29 kilogrammes per hectare. There was thus no common measure for determining the area to be sown, and that solution must accordingly be abandoned. Nevertheless, the Bulgarian Government considered that a common measure could be found in the quantity of raw opium to be fixed for the annual production of each country. It had in mind a system of quotas, to be allocated to each producing country by an international organ, combined with a system of supervision on national and international lines. National control would certainly not be the same in all countries. The position in a vast state such as China and in the big producing countries would be quite different from that of a small country where production was low. International control, on the other hand, would be the same for all countries.

Should the proposed supervisory organ be in the nature of a mixed body, where the interests of producing and consuming countries would be represented by their nationals, or should it be an impartial neutral body? The Bulgarian Government was in favour of the second system. The organ in question should be so constituted as to be removed from all rivalry and egoism; it should be a supervisory body set up under the League's auspices. Individual countries would, of course, have the right to make representations to it. International control would be virtually

/ineffective

ineffective unless strict national control were instituted. That was how the Bulgarian representative interpreted the desire of certain countries that attention should be concentrated on national control; it did not, however, imply any intention of avoiding international control.

General agreement appeared to exist in the Committee as to the principle of limiting the production of raw opium to medical and scientific needs, which really meant reducing the cultivation of the opium poppy. Mr. Karadjoff had appreciated highly the observations of the United States representative, particularly his report on the serious situation in the Far East. No one could remain unmoved in the face of such a menace; no one could turn a deaf ear to such appeals for help. To do so would be to reject all idea of international co-operation in the sphere of narcotics suppression and would be an infringement of international law under the existing conventions. But all the League's efforts in that domain were bound to be ineffective unless the country concerned was prepared to help itself. In that connexion, the statistics were encouraging: during the period 1934-1936, China had reduced the area under cultivation from 235,000 to 80,000 hectares and production from close upon 7,000,000 kilogrammes to about 2,000,000 kilogrammes -- a magnificent effort. Any existing divergence of view concerned therefore, not the principle involved, but its application.

If the producing countries were ready to make heavy sacrifices for a humanitarian object, their desiderata must be given a proper hearing. That was the social aspect of the problem: in helping those who were sick, the healthy members of society must not be sacrificed.

It would be necessary to proceed by stages. There should first be an agreement not to introduce the opium poppy in countries where it had not hitherto been cultivated. Again, when allocating the raw opium quota to each country, countries which had increased their production just as others were making sacrifices must be placed in a privileged position.

The social aspect of the problem would be apparent to all; everything must be done to avoid a crisis such as had always been associated with any economic transformation. England had known such a crisis when, in the seventeenth century, she had passed from an agrarian to an industrial regime.

It was essential therefore to proceed gradually. The question of the reduction of the cultivation of the opium poppy must be considered in close connexion with that of the possibility of gradually replacing the opium crop by other crops, and with that of prices. It was intolerable that the families of peasants working in the fields for sixteen hours a day on poppy growing should not be able to pay for doctors or medicines; it was not right that they should be so badly paid.

/Bulgaria

Bulgaria had reduced the area under poppy cultivation and had prohibited the manufacture of drugs, thus passing from the category of producing and consuming countries to that of producing countries only. The position might perhaps have to be reviewed in the light of the large differences between the prices of the raw material and those of the manufactured products. The question of fair prices was very important, and Mr. Karadjeff noted that the Secretariat was prepared to examine it in co-operation with the various Governments.

Referring to the question of the extraction of morphine from the opium-poppy plant, the Bulgarian representative said that he did not feel competent to discuss that subject in detail; he would not have mentioned it at all, were it simply a question of production for internal consumption and the requirements of national defence. But that was not the case. It seemed illogical to reduce the cultivation of the opium poppy, the raw material for the manufacture of morphine and other drugs and, at the same time, to authorize the extraction of morphine from the opium-poppy plant.

Bulgaria was prepared to co-operate as closely as possible with the Advisory Committee and the League Secretariat and to offer her modest but loyal and enthusiastic contribution towards their common effort.

Dr. HOO Chi-tsai (China) desired to state the Chinese Government's views concerning the draft convention. The convention should aim at the suppression of the abuse of drugs; by suppression, the Chinese Government meant the suppression of all non-medical consumption, a formula which would cover opium for smoking and eating. The abolition of the traffic itself should not be the aim of the Convention; earlier Conventions had been designed with that object. Neither should the limitation of production of raw opium be the final objective. Those two ideas -- the suppression of the illicit traffic and the reduction of the production of raw opium -- must not lead to the real issue being overlooked. They must not be used as a pretext for preventing the total suppression of opium-smoking. The Hague Convention of 1912 already envisaged the abolition of that practice; now, in 1938, it was high time to take definite steps and to fix a date by which the use of opium for smoking purposes should cease. Before its complete abolition there should be a substantial annual reduction of the production of raw opium for the preparation of smoking-opium. A limitation convention which failed to satisfy those desiderata could not be regarded as representing any real advance on the existing Conventions.

/Dr. CARRIERE

Dr. CARRIERE (Switzerland), thought that, having heard representatives of producing countries, the Committee should now hear the representative of a consuming country (or rather a manufacturing country -- since Switzerland was not really a consumer of opium beyond her medical and scientific requirements) which, though not directly concerned in the problems of opium production, could not ignore the very serious issues which they raised. The aim must be to limit the production of opium to world medical and scientific requirements. The 1925 and 1931 Conventions had already produced satisfactory results, but the problem to-day was to attack the evil at its roots; that was the purpose of the convention now being prepared, and he hoped that, as the keystone of the structure built to combat the drug menace, that instrument would fulfil all the hopes which were being founded on it. He himself looked forward to a convention which by regulating and controlling the cultivation and commercial exploitation of an agricultural product, would introduce into international legislation a restrictive principle which, he believed, had never hitherto been applied. That innovation would certainly be one of the most striking features of the future convention. In this matter, as in regard to the 1925 and 1931 Conventions, Switzerland would certainly participate in any steps the League of Nations might take to combat and abolish the drug evil.

Mr. NIND (India) said that the last two speakers had mentioned as the objectives of the future convention the complete suppression of the use of raw opium for other than medical and scientific needs. It had been decided, he thought, in the Preparatory Committee, to state that the objectives of the convention were (1) to suppress the abuse of narcotic drugs and (2) to supplement the previous Conventions. That phraseology should, he submitted, be sufficient to ensure that the poppy would not be cultivated in quantities in excess of legitimate world requirements.

He reminded the Committee that the use of opium in India was not confined to scientific and medical needs. That point had been dealt with at great length at the Conference in 1925. On that occasion, the representative of the Government of India had indicated the principles which were followed in India. Briefly, he had taken up the position that the problem was an internal problem for India and not the concern of the outside world; the fact that opium-eating was allowed in India and that a large quantity of the drug was produced there for that purpose was not a menace to others, in view of the system of control which was

/enforced

enforced in the country itself. Secondly, a large proportion of the opium consumption in India was required for medical and veterinary purposes -- he should perhaps say quasi-medical purposes: for years, opium had been regarded as a specific against intestinal and other diseases. There was a population of over 350 million in India, and it was not feasible to stipulate that the use of opium should be governed by purely medical principles. Thirdly, the amount of opium consumed per capita in India was small and compared favourably with the figures for other countries whose consumption was limited to medical requirements; it included veterinary as well as human uses. The figure of 18 grains per capita in 1925 had fallen in 1934 to 10 grains.

Such were the main reasons which had led the Government of India to consider that it was not feasible to limit the use of opium to scientific and medical needs. It must not be thought, however, that the Government, while tolerating its use, was doing nothing to diminish consumption. There had, as a matter of fact, been a progressive decline. Control, as the Committee was aware, was in the hands of the provincial governments. A system of provincial autonomy was provided for under the recent Constitution, and the growing opinion against the use of opium would now find a readier means of expression. The results could, he thought, be awaited with confidence.

Mr. BOURGOIS (France) said that the Hague Convention of 1912 prescribed, without further details, "national control of the production and distribution of raw opium". The Geneva Convention of 1925 organized "international control" over the trade in narcotic drugs, more particularly trade in opium, by a system of "import and export certificates" and by the institution of the "Permanent Central Opium Board", which was responsible for supervising the movement of trade by means of quarterly and annual statistics communicated to it by Governments. Neither of those diplomatic instruments limited the manufacture of opium alkaloids (morphine and heroin). Experience had shown that excess quantities were being produced which were disposed of in the illicit traffic. A new Convention, signed at Geneva on July 13th, 1931, limited the world manufacture of narcotic drugs specifically to world requirements. But that Convention again, like the earlier ones, did not limit the production of the raw material: opium. It was evident -- as in the case of morphine -- that excess quantities of opium in the market found their way into the illicit traffic: smuggling of opium for smoking, clandestine manufacture of alkaloids. That was why the Opium Advisory Committee had been led to consider the possibility of limiting the
/cultivation

cultivation of the opium poppy. The limitation of agricultural production was a much more difficult problem than that of restricting the output of a few factories. The results achieved at the present session nevertheless held out hope of future success in that field.

The 1931 Convention had created a precedent of far-reaching importance in the international political and economic sphere: it had limited the world production of a manufactured product to legitimate requirements, by instituting a regular international administration which exercised complete control -- including, if necessary, an embargo -- over the whole of a specific industry and trade. It was the first experiment in "managed economy" applied to the whole world and covering the whole industrial and commercial process, from the raw material to the consumption of the manufactured product. That juridical conception, the most daring ever conceived, had been regarded as Utopian. The experiment, however, had proved successful. Sixty States had acceded to the Convention. Licensed drug factories to-day produced only for the medical requirements recognized by Geneva. The embargo had been enforced on several occasions.

Success would, Mr. Bourgeois hoped, also attend the Committee's efforts to conclude a convention for the limitation and allocation of world production. The convention might be expected to produce very useful results, particularly in the case of opium for smoking. The effect of the restriction of the illicit market which would be sure to ensue would be to oblige the smoker to "register". Thus, one of the immediate and certain results of the future convention would be to facilitate the adoption by the monopolies of the system of licences, registration and even rationing of smokers. That prospect in itself was sufficient to justify the study undertaken by the Opium Advisory Committee.

The CHAIRMAN expressed his appreciation of the encouraging observations submitted by members of the Committee, particularly by representatives of the producing countries.

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TWELFTH MEETING

Held on June 17th, 1938, at 4 p.m.

CONSIDERATION OF THE REPORT OF THE PREPARATORY COMMITTEE FOR A CONFERENCE TO EXAMINE THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM (continuation)(document O.C.1744).¹

The Committee proceeded to discuss the report chapter by chapter.

INTRODUCTION

(a) Initial Objects of the Proposed Convention.

Sir Malcolm DELEVINGNE (Expert) noticed in paragraph 5 a reference to the Protocol of the second International Opium Conference. In his opinion, it would be more correct to refer to the Protocols of both the Conferences which met in 1924/25 and which were mutually complementary. The point might be met by printing in a footnote to this paragraph the texts of Articles I and II of the Protocol of the second² and Articles II and III of the Protocol of the first³ Opium Conference.

The CHAIRMAN thought that the passage as it stood was correctly worded inasmuch as the reference was to the conference of opium-producing countries, but saw no objection to adding the footnote suggested by Sir Malcolm Delevingne.

Sir Malcolm Delevingne's proposal was adopted.

Colonel SHARMAN (Canada) recollected that it had been agreed to use a slightly different wording for the expression "Manchuria and Jehol" in the last paragraph of this Section of the report.

Major COLES (United Kingdom) (Rapporteur of the Preparatory Committee) had consulted the Chinese and Japanese representatives on this point but had not succeeded in finding a form of words acceptable to both parties. He suggested, therefore, the adoption of the same expression as used in the Advisory Committee's 1937 report -- namely, "China proper, Manchuria and Jehol ("Manchukuo").

Dr. HOO Chi-tsai (China) was prepared, as on previous occasions, to accept the compromise wording proposed.

¹ For the final text of the report, see document C.221.M.123.1938.XI (Ser.L.o.N. P. 1938.XI.1), page 9.

² See Official Journal, May 1925, page 713.

³ Ibid., page 681.

(b) Further Developments.

Use of Poppy Plant for the Extraction of Opium Alkaloids.

Mr. CARNOY (Belgium) questioned whether it was appropriate to talk of the "poppy plant", a broad expression which might be taken to include the innocuous seeds. Possibly a footnote should be added explaining that "poppy plant" included the whole of the plant, with the exception of the seed.

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that it would be necessary to define the expression "poppy plant" in the future convention. It might therefore be useful to append a footnote to this passage in the report, explaining that the term "poppy plant" was to be interpreted as including any part of the poppy plant, either green or dry, which may contain opium alkaloids.

Mr. Renborg's proposal was adopted.

Dr. BALLENEGGER (Hungary) said the Preparatory Committee's report now under discussion refers to two kinds of materials, the production and use of which are to be limited or controlled by a future convention. These materials are, in the first place, the poppy crop used for the production of raw opium, and raw opium itself, and, in the second place, poppy straw. As these materials differ considerably, it will be advisable to discuss them separately.

Hungary is not an opium-producing country and is therefore not directly interested in questions relating to raw opium production. In the present circumstances, however, she would be only too glad if the Advisory Committee found it possible to arrive at agreements which would bring it closer to its objective -- the abolition of the abuse of narcotic drugs. Hungary will have no difficulty in agreeing to any measures which the Advisory Committee adopts on this subject as a result of its discussions.

The raw material of direct importance to Hungary is the dried poppy straw. The process of extracting poppy alkaloids from poppy straw is the invention of a Hungarian scientist, and Hungary was the first country to make industrial use of his patent. Because of its country of origin, the process is also known as the Hungarian process, or alternately, as the direct process. I propose to devote a few remarks to the raw material used in this process.

/The Preparatory

The Preparatory Committee's report¹ refers to the question whether the use of poppy straw as a raw material for the manufacture of opium alkaloids should be prohibited or controlled.

In a summary of the discussions regarding the prohibition of the use of this raw material, for the Extraction of opium alkaloids, a matter raised by the representatives of certain countries, it is stated² that "Other members of the Committee did not consider it possible to prevent the exploitation of a method of manufacturing opium alkaloids which represented definite scientific progress". In the same paragraph of the report, it was said that the representative of Poland had drawn attention to the fact that "In the interests of national defence, Governments could not forego the right to obtain drugs from raw material available in the country". This principle must also govern the action of the Hungarian Government.

I feel, therefore, that it would be inadvisable to insert in the future convention an article prohibiting the use of poppy straw.

It was also suggested in the Preparatory Committee "that the parties to the Convention which were using or intending to use poppy plant for this purpose (the extraction of alkaloids) should undertake to manufacture drugs from this raw material for internal needs only and not for export" (page 46 of the roneographed text).³ The Hungarian point of view on this subject is that the amount of drugs which a country can manufacture in the course of a year is limited by Article 6 of the 1931 Limitation Convention. Paragraph 1(c) of this article empowers a country to manufacture⁴ "such quantity as may be required by that country ... for the execution during the year of orders for export in accordance with the provisions of this Convention".

Hungary feels that, if it is suggested that a distinction be drawn between the means to be adopted for producing the quantities of opium alkaloids required for internal needs and for the amount required for export, she will have to consider whether this suggestion is not at variance with the provisions of the Limitation Convention. In my opinion, this question could only be raised concurrently with a request for revision of the 1931 Convention, made in accordance with Article 33 of that Convention, and, in that case, the procedure laid down in that article will have to be followed.

¹ Document C.221.M.123.1938.XI (Ser.L.o.N.P. 1938.XI.1), page 12, Section (2), paragraph 2.

² Ibid., page 24, Section (3), paragraph 2.

³ Document C.221.M.123.1938.XI (Ser.L.o.N.P. 1938.XI.1), page 24, Section (3), paragraph 3.

⁴ See Official Journal, September 1931, page 1801.

As regards the question of controlling the use of poppy straw (page 13 of the roneographed text)¹, poppy straw and heads are mentioned as raw material which is to be subjected to certain measures of control if and when used as raw material for the extraction of opium alkaloids.

Further on the report states:² "If it should be decided to extend certain measures of control to poppy straw as raw material for the extraction of opium alkaloids, certain of the main principles indicated under Sections 3 to 6 might, with such modifications as might be found to be necessary, be applicable to that raw material".

In regard to these two passages, I wish to draw attention to the fact that certain regulations already exist for controlling poppy straw and heads, regulations which cover this raw material used for the extraction of opium alkaloids. The principles underlying these rules was formulated by the Advisory Committee in its report to the Council on the work of its twentieth session as follows:³

"..... Poppy straw is, in fact, a 'raw material' within the meaning of the Conventions, and as such is covered by Article 22 of the Geneva Convention and Articles 16 and 17 of the Limitation Convention."

This principle and the rules which it entails are applied in Hungary and are regarded as adequate for effective control of the use of this raw material.

Hungary does not, in principle, object to the framing of rules having a still closer bearing on the trade in poppy straw as a raw material for the manufacture of opium alkaloids. I think, however, that, in framing such rules, consideration should be given to the very special nature of this raw material, which cannot in any way be assimilated to raw opium.

Raw opium is a narcotic drug which can be used as such without further preparation. It is the subject of illicit use and traffic, which are very difficult to combat. Its high morphine content makes it very suitable for the clandestine manufacture of dangerous drugs. Regulations for its effective control must, therefore, cover all, even the smallest, amounts of the substance. Poppy straw, on the other hand, is a bulky material with a very low morphine content and is essentially a harmless product which cannot be directly used as a narcotic drug. The quantity necessary to give a substantial volume of alkaloids is so great that it could not escape the attention of the authorities. It is thus a raw material which can easily be controlled.

¹ Document C.221.M.123.1938.XI (Ser.L.o.N.P. 1938.XI.1), page 13, Section 1(b),(1).

² Ibid., page 14.

³ Document C.253.M.125.1935.XI (Ser.L.o.N.P. 1935.XI.2), page 13.

These points must be borne in mind in framing rules for controlling the trade in poppy straw as a raw material for the manufacture of morphine.

After closely studying sub-heads 3 to 6 of the Preparatory Committee's report (pages 14 and 15 of the roneographed text)¹, it is my conviction that none of the principles there formulated regarding the limitation of raw opium production can be applied to poppy straw.

In the list of substances to be subjected to certain measures of control in the future convention, the Preparatory Committee's report includes the opium poppy cultivated for other purposes (page 13 of the roneographed text).²

In Hungary, poppies are always grown for food purposes. In manufacturing alkaloids, only the waste products of that production are used. The total amount of this waste material which can be used for manufacturing narcotic drugs is considerably greater than the amount actually used. The surplus is not the subject of commercial transactions; it is a perishable product of practically no value to the farmer, who burns it or throws it on the dung-heap. From the standpoint of control of narcotic drug production, only the amount of straw bought by the factory for extraction of alkaloids is of any interest, and it is this amount which must be controlled, as is done also in Hungary. Since, therefore, there is no connexion in Hungary between poppy growing and the manufacture of narcotics, it seems to me superfluous to subject poppy growing in my country to any form of control. Such measures would in no way serve the humanitarian purpose of existing Conventions or of the convention to be drawn up in the future -- that is to say, the suppression of the abuse of narcotic drugs -- but it would hamper the freedom of action of our farmers and react unfavourably on the country's agricultural production.

Naturally, what I have just said on this point only concerns Hungary, which is eminently an agricultural country where the poppy has been grown for centuries as an important foodstuff and where no abuses have ever been observed in connexion with the plant. The question may take a different form in other countries, but, even where the competent authorities might consider that poppy growing should be brought under a certain form of control, I believe that national control would be sufficient. The question of establishing any form of control might therefore be left to the free discretion of each country.

¹ Document C.221.M.123.1938.XI (Ser.L.o.N. P. 1938.XI.1), pages 13 and 14

² Ibid., page 13, Section 1 (b), (2).

Dr. CHODZKO (Poland) said that the Hungarian representative's statement compelled him also to revert to the question of poppy straw and to make the following declaration on behalf of the Polish Government:

The opium poppy is not grown in Poland, poppy straw and poppy heads only being used for the manufacture of alkaloids. Poland does not grow poppies specially for the extraction of these alkaloids. As the poppy is grown for its seed, which is used for technical and industrial purposes, cultivation extends all over the country. To extract alkaloids from poppies it is necessary to have complicated plant and specially qualified chemists. In such circumstances the clandestine manufacture of such drugs is impossible. Moreover, the raw material has to be supplied in very large quantities and therefore needs big warehouses, which could not escape control.

In 1937, poppy seed was exported to Austria, the Netherlands, Germany and the United States of America to a total amount of 37,666 quintals. Poland also exports poppy oil; the quantity of poppy and other vegetable oils exported in 1937 amounted to about 1,040 quintals.

In the above circumstances, and on national defence grounds, I can only repeat my declaration made in the Preparatory Committee to the effect that, in the matter of the manufacture of alkaloids from the dried poppy plant and of poppy growing, the Polish Government cannot accept further obligations over and above those contained in the existing Conventions, ratified by Poland.

MAIN PRINCIPLES ON WHICH A FUTURE CONVENTION MIGHT BE BASED

Sir Malcolm DELEVINGNE, (Expert) did not quite understand the inclusion under the heading "Main Principles on which a Future Convention might be based" of the sub-heading "I (b) (2) Opium Poppy cultivated for Other Purposes", particularly as later references on page 19 of the mimeographed text (lines 12-19)¹ and page 20 of the same text (last paragraph)² showed that there had been no general support in the Preparatory Committee for the idea of controlling the cultivation of the opium poppy for other purposes.

Mr. FULLER (United States of America) had agreed in the Preparatory Committee that it might not be practical to consider limiting the cultivation of opium poppies for other purposes, but felt that some measure of control over all forms of opium-poppy cultivation would have to be considered. He called attention to the legislation already in effect in Canada on that subject.

¹ Document C.221.M.123.1938.XI (Ser.L.o.N.P.1938 XI.1), page 15, Section (3), paragraph 3.

² Ibid., page 16, Section (4), paragraph 2.

Colonel SHARMAN (Canada) also urged that, in view of the legislation already adopted in certain countries, it was necessary to include the point covered by this sub-heading among the main principles of the future convention. The list on pages 13-15 of the roneographed text¹ had, after laborious discussion, been unanimously adopted by the Preparatory Committee in order that the general public should have a clear comprehension of the principles underlying any future limitation convention. If changes were required they should be made, not in the list of principles, but in the text which followed.

Mr. FULLER (United States of America) pointed out that this important section of the report dealt with the main principles on which a future convention might, not shall or must, be based. The United States of America would take only a lukewarm interest, if any interest at all, in any conference which was not prepared to consider controlling the opium poppy cultivated for any purposes whatsoever.

Mr. SADAK (Turkey) suggested that the report represented a compromise which had been achieved with great difficulty, and that its structural balance should, therefore, not be lightly disturbed.

Sir Malcolm DELEVINGNE (Expert) had made no proposal on this point. He had, however, been struck by the inconsistency between the list of main principles and the subsequent text of the report. From the discussion which had ensued, he concluded it might be more correct to head the list on pages 13-15 of the roneographed text² "Points for Consideration in regard to the Main Principles"

Mr. RENBORG (Acting Director of the Opium Traffic Section) thought that Sir Malcolm Delevingne's proposal merited careful attention. The change which he suggested in the title might, however, weaken the value of the Preparatory Committee's work.

Mr. CARNOY (Belgium) pointed out that Sir Malcolm Delevingne's proposal would mean reopening the whole question.

¹

Ibid., pages 13 and 14.

²

Document C.221.M.123.1938.XI (Ser.L.o.N. P. 1938.XI.1), pages 13 and 14.

Colonel SHARMAN (Canada), on a point of order, objected to a discussion being reopened on a section of the report which had been unanimously adopted after full discussion in the Preparatory Committee.

The CHAIRMAN suggested that no change be made in the existing text, as the views expressed would be sufficiently reflected in the Minutes of the meeting.

III. Methods of achieving Limitation.

5. Methods of allocating (opium Production and Exports among Producing Countries.

Mr. BOURGOIS (France) considered that the two possible methods of allocating opium production and exports among producing countries, envisaged by the Preparatory Committee -- namely, the quota system and the free order system -- might be fused. The free order system was in fact compatible with the quota system. By that, Mr. Bourgois meant, of course, the production quota and not the export quota system, as described in his first memorandum and referred to in the Preparatory Committee's report. All that would be necessary would be to have an additional export allowance (limite de surexportation) proportional to the quota. Such additional exportation was possible since the producing country could always, under existing circumstances, meet the free orders received out of its stock, if the total orders received exceeded its quota. It would, of course, be necessary to revise production quotas periodically. The percentage relation between the additional exportation allowance and the production quota would make it possible to pass gradually from the quota to the free order system, and in this way find common ground for agreement.

Like all compromises, such a system would undoubtedly have its advantages and its drawbacks; these, however, would be less than the advantages and drawbacks of the two systems of which it was a combination. Its advantage, however, from the Committee's standpoint would be that, owing to the flexibility of the additional export allowance, it would afford greater possibilities for agreement.

Mr. Bourgois did not propose to open an immediate discussion on this scheme, but thought it important that public opinion -- which was a severe judge -- should realize that the Committee had considered the problem from all its aspects.

He proposed to submit a more detailed memorandum at a later date, but would be satisfied if a brief reference to the question were made in the Advisory Committee's report to the Council.

Certain Questions of a General Character.

1. Universal Application of the Future Convention.

Colonel SHARMAN (Canada) asked whether the wording of the last sentence of this paragraph, referring to the attitude of the Turkish and Yugoslav representatives, did not go beyond the statements actually made by those representatives in the Preparatory Committee. In that Committee's discussions, he had raised the question of non-ratification by an unimportant and remote producing country, and had understood that Turkey would not allow her attitude to be affected by such non-ratification. It would, therefore, be more correct to insert the word "important" before "producing countries" at the end of the paragraph.

Mr. SADAK (Turkey), on the assumption that his declaration had been reproduced in the Minutes of the morning's meeting, had no objection to the insertion of a reference to the principal producing countries on the lines suggested by the Canadian representative.

Mr. MIHAILOVITCH (Yugoslavia) was prepared, subject to final approval by his Government, to accept the proposed amendment on his own responsibility. He took the opportunity, with reference to the general statements made by the representatives of Hungary and Poland, to point out that he had voted for the quantitative limit of production in order to facilitate the operation of the future convention.

Mr. RENBORG (Acting Director of the Opium Traffic Section) noted that, whereas the Canadian representative proposed the insertion of the word "important", the Turkish representative had suggested using "principal". The former was possibly the more suitable adjective from the standpoint of producing countries.

Mr. SADAK (Turkey) had, in order to facilitate the Preparatory Committee's work, proposed the insertion in the Committee's Minutes of a reference to the sanctions to be imposed in the future limitation convention. If the Canadian representative desired the addition of the word "important" in the passage in question, he was prepared to accept the amendment.

/Colonel SHARMAN

Colonel SHARMAN (Canada) was anxious merely to attenuate the rather absolute implication of the expression "all the producing countries". He was perfectly prepared to accept any term which was approved by the representatives of Turkey and Yugoslavia, to whose spirit of compromise he paid a tribute.

The CHAIRMAN inferred that the sentence in question would be corrected to read "..... a Convention which was not ratified by all the principal producing countries".

The Committee adopted the amended text proposed by the Chairman.

2. New Opium-producing Countries.

Mr. EMBIRICOS -COUMOUNDOUROS (Greece), referring to the following sentence in the second paragraph of this subsection:

"It was recognized, however, that countries which had in the past produced raw opium, but had recently ceased doing so, would retain their right to produce raw opium in the future to satisfy their own internal needs, but not for export."

proposed to modify it to read as follows:

"The countries which had in the past produced raw opium but had recently ceased to do so, requested that they should retain their right to resume production in the future. No objection, in principle, was made to this request, but it was suggested that, if the countries in question resumed poppy growing, production should not exceed the domestic requirements of those countries or be used for export purposes."

He took that opportunity of thanking the delegations of the countries most closely concerned for their spirit of comprehension and their willingness to bear the sacrifices implicit in any future limitation scheme.

Mr. SADAK (Turkey) had no objection to the proposed amendment, provided a time-limit was eventually fixed for the cessation of production.

The amended text proposed by the Greek representative was adopted.

Annexes I - III and Appendices I - III

After an exchange of views, the Committee decided that Annexes II and III only would be appended to the printed report for communication to Governments, and that the necessary changes would be made in Annex III to meet the objections raised by the Japanese representative.

The report of the Preparatory Committee was adopted, subject to the above amendments.

PREPARATORY WORK FOR A CONFERENCE TO EXAMINE THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM: ACTION TO BE TAKEN FOLLOWING UPON THE ADOPTION OF THE REPORT OF THE PREPARATORY COMMITTEE.

Dr. CARRIERE (Switzerland) (Rapporteur) thought that, the Committee's exhaustive discussion of the general problem being concluded, the time had come to consider by what procedure the convention could most rapidly be brought into being. He wished in the first place to point out that the Preparatory Committee, whose report had just been discussed, had not yet completed its work, and that it would doubtless have to meet again to continue its efforts in the manner best suited to the circumstances.

Meanwhile the report, after final adoption by the Advisory Committee, would have to be communicated to the Council with the request that it should be transmitted to Governments, the latter being invited to submit their comments within a brief interval -- for example, by January 1st, 1939. Much time might also be saved if members of the Advisory Committee, who were already in possession of the Preparatory Committee's report, could at once initiate the necessary conversations with the competent departments in their respective countries, in order to hasten the despatch of their Government's replies.

Once in possession of the comments and suggestions contained in those replies, the Secretariat might prepare a draft of the more important articles of the future convention, for examination by an ad hoc sub-committee to meet before or during the next session of the Advisory Committee.

Finally, a very useful purpose would be served if the representatives of producing countries examined the possibility of preliminary discussions between themselves in the hope of agreeing upon concrete proposals, which would greatly

¹ For the final text of the report, see document C.221.M.123.1938.XI (Ser.L.o.N. P. 1938.XI.1), page 9.

simplify and shorten the discussion in the Advisory Committee.

Such was the procedure which he ventured to submit to his colleagues.

Mr. RENBORG (Acting Director of the Opium Traffic Section) pointed out that the preliminary departmental consultations referred to by Dr. Carriere, Rapporteur, could be begun as soon as the printed report was available, which would be towards the end of July, or considerably in advance of the Council's next session.

Mr. SADAK (Turkey) gathered from the Rapporteur's statement that the normal League procedure for Committees would be followed in the case of the present report. He agreed that preliminary consultations between producing countries would be extremely useful. Were those consultations to be spontaneous or, as he himself would prefer, organized on the initiative of some body like the League of Nations?

Dr. CARRIERE (Switzerland) thought it preferable for the producing countries to organize the consultations in question themselves, but was sure that the Secretariat would gladly render any assistance required.

Mr. MIHAJLOVITCH (Yugoslavia) agreed with the Turkish representative that the League of Nations should take the initiative in the proposed consultations.

Mr. RENBORG (Acting Director of the Opium Traffic Section) foresaw no difficulty in the Secretariat's convening the representatives of the countries concerned and offering the usual Secretariat facilities for their consultations.

Mr. BAHRAMY (Iran) was quite prepared that the necessary invitation should be sent to his Government by the Secretariat, either on its own or the Committee's initiative.

Dr. HOO Chi-tsai (China) pointed out that, if the initiative were taken by the Secretariat, the Committee must decide what countries would be invited to attend, and what subjects would be discussed.

/Mr. RENBORG

Mr. RENBORG (Acting Director of the Opium Traffic Section) said that the Rapporteur had merely suggested conversations between the principal exporting countries, which were Iran, Turkey and Yugoslavia. The object of such discussions would presumably be to enable those countries to come to an agreement before the future limitation scheme and its underlying principles were discussed next year on the method to be adopted for dividing the export trade between them.

Mr. KARADJOFF (Bulgaria) wished to reserve the right of his country to participate in the consultations.

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) pointed out that, if the proposed conversations were held under Secretariat auspices, they could only begin after receipt of the replies from Governments -- that was to say, after January 31st, 1939. If they were held privately they might begin at once.

Dr. HOO Chi-tsai (China) reminded the Committee that no action on the lines suggested could be taken by the Secretariat until the Council's authority had been obtained.

Mr. SADAK (Turkey) suggested that the Secretariat should keep unofficially in touch with the representatives of the countries concerned and decide whether it was desirable to convene such a meeting as had been proposed.

Colonel SHARMAN (Canada) suggested that, in view of the important issues raised, the discussion should be adjourned to a later meeting of the Advisory Committee.

Mr. RENBORG (Acting Director of the Opium Traffic Section) while agreeing with the Canadian representative's proposal, pointed out that there was nothing in the League rules of procedure to prevent the Secretariat arranging unofficially with the relevant permanent delegates at Geneva for meetings to promote an agreement between producing countries.

Mr. AMAU (Japan) said that, if a meeting of producing and exporting countries were to be held, Japan would be an interested party in view of the fact that Korea was a producing country. He noted, moreover, from the report that the convention would not achieve its purpose unless producing and importing countries were parties to it. This raised the question of the position of "Manchukuo",
/which was

which was an important producing and importing country. Japan therefore had a close interest in this question also and reserved the right to revert to it in due course.

Mr. SADAH (Turkey) withdrew his original proposal regarding consultations between opium-producing countries.

Dr. HOO Chi-tsai (China) reserved the right to reply to the statement just made by the Japanese representative.

The continuation of the discussion was adjourned to a later meeting.

THIRTEENTH MEETING

Held on June 20th, 1938, at 10.30 a.m.

PREPARATORY WORK FOR A CONFERENCE TO EXAMINE THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM: ACTION TO BE TAKEN FOLLOWING UPON THE ADOPTION OF THE REPORT OF THE PREPARATORY COMMITTEE (continuation)¹: QUESTION OF PUBLISHING THE MINUTES OF THE PREPARATORY COMMITTEE

Dr. CARRIERE (Switzerland), Rapporteur, summarized the discussion which had taken place at the previous meeting on the procedure to be followed in connexion with the Preparatory Committee's report.

He reminded his colleagues that the Committee had agreed that the Preparatory Committee's work must continue, that its report should be submitted to the Council and communicated by the latter to Governments for their observations, which latter should be in the Secretariat's possession by January 31st next, and that meanwhile members might initiate the necessary departmental consultations in their own countries with a view to expediting the preparation and submission of those observations. He had made the further suggestion that representatives of producing countries might examine the possibility of holding conversations among themselves, with a view to securing agreement on the specific subject of export quotas -- a procedure which would greatly facilitate discussion in the Committee. Out of that suggestion had arisen the question whether the initiation of such conversations should be left entirely to the countries concerned, or whether they should be held under League auspices. It was that point, which had been left over, that the Committee must now decide.

Mr. REINBORG (Acting Director of the Opium Traffic Section) explained that the printed report of the Preparatory Committee would be available for the use of members by the end of July and would be officially communicated to Governments, following the Council's session in September, during the month of October.

Mr. BAHRAMY (Iran) deprecated any undue haste in regard to this matter. The report, after all, was essentially a synthesis of the various personal opinions expressed in the Preparatory Committee. Various points, moreover, were still obscure, particularly as to the number of countries that could definitively be regarded as producers. It would therefore be preferable to give Governments

/plenty

¹ For the final text of the report, see document C.221,M.123,1938.XI (Ser. L.C.N. P. 1938.XI.1), page 9.

plenty of time to consult their experts and departments and to consider the comparative weight of the various arguments reproduced in the report before initiating any conversations such as those suggested.

Mr. NIND (India) thought that the report should be communicated to Governments as soon as possible. In that connexion, he wished to ask whether the report would be sent by the Secretariat as a separate document or as part of the general report on the work of the Advisory Committee's session.

Mr. RENBORG (Acting Director of the Opium Traffic Section) explained that, normally, the reports of all League technical committees were distributed to Governments as soon as they were printed, without waiting for their formal communication by the Council. The proposal made by Dr. Carriere, Rapporteur, therefore, coincided with the procedure usually adopted. Mr. Renborg agreed with the representative of India that it would be useful to have the Preparatory Committee's report issued as a separate document.

The CHAIRMAN inferred that the Committee would agree to the procedure proposed by the Rapporteur, as interpreted by the representative of India.

On the question of the time-limit for the receipt of Governments' observations he suggested that, as many Governments would require to consult their experts and, in some cases, their colonial representatives also, the end of January was possible rather early.

Dr. HOO Chi-tsai (China) asked if the Preparatory Committee's report would be discussed at the next session of the Assembly of the League of Nations.

Mr. RENBORG (Acting Director of the Opium Traffic Section) replied that any member of the Fifth Committee would be fully entitled to raise at the next Assembly any question discussed at the Committee's present session.

Colonel SHARMAN (Canada) was not in favour of excessive haste. The Canadian authorities would be unable to give the Preparatory Committee's report effective consideration before the end of 1938. Experience had shown the impossibility of fixing a strict time-table for such questions beforehand. The aim should be to proceed as speedily as practicable.

/Dr. CARRIERE

Dr. CARRIERE (Switzerland) reminded the Committee that, if the replies from Governments were not received until February or March 1939, it would be extremely difficult for the Secretariat to prepare the basic document for the discussions at the next session of the Committee.

Mr. BAHRAMY (Iran) urged that it would be preferable to concentrate on preparing the ground adequately, so as to ensure that tangible results would be achieved. Distant countries required longer time for the necessary consultations.

Mr. RENBORG (Acting Director of the Opium Traffic Section) emphasized that, if the replies of Governments could not be furnished by the end of January 1939, it would be difficult to arrange for the Committee to discuss the question again before 1940, unless it decided to hold a special autumn session in 1939.

Mr. AMAU (Japan) said that the Japanese Government would do its best to comply with any decision taken regarding the submission of replies by January 31st, 1939. He trusted, however, that consideration would be given to the following difficulties which Japan would find in replying by such an early date. In the first place, the report would have to be translated into Japanese and consultations would have to be held, not only between the Government departments in Tokio, but also with the Japanese authorities in Formosa and Korea. In the second place, the Parliamentary session which would continue through November and later, would, particularly under present abnormal conditions, make special calls on the time and energy of chiefs of Government departments. Both those factors might tend to retard consideration of the report.

Mr. BOURGOIS (France) did not think that Governments would find it excessively difficult to take a speedy decision on a series of principles on which they were already amply informed. He could not, of course, speak for producing countries. Some of those, like India and China, had only their own domestic situation to consider, but even in the case of those which produced for export the difficulties were not really very serious.

Dr. HOO Chi-tsai (China) suggested holding the usual spring session a week earlier in order that the Committee could consider the replies of Governments without waiting for the Secretariat's analytical report. This would give Governments an extra three months for submitting their observations.

/The CHAIRMAN

The CHAIRMAN proposed that Governments should be informed by the Secretariat that their replies were desired as soon as possible and would be particularly appreciated if supplied by January 31st, 1939. At its twenty-fourth session, the Committee could then see how the matter stood.

Mr. BOURGOIS (France) considered that the preparatory work of the Secretariat in collating, analyzing and clarifying the various replies received from Governments was indispensable and should not be retarded.

Mr. RENBORG (Acting Director of the Opium Traffic Section) endorsed the statement made by the representative of France. Governments were not being asked to express their views on a draft convention but only on the various principles which might serve as a basis for such a convention, principles with which most Governments were already familiar. If those observations were ~~not~~ available by the end of January, it would be extremely difficult to arrange for an effective discussion in May next. If Governments required longer time for consideration, it might be advisable to consider devoting a special session to this question only.

Mr. BAHRAMY (Iran) re-emphasized the special difficulties which a producing country like Iran would encounter in making a considered reply so early as the end of January 1939, even if only on the principles outlined in the Preparatory Committee's report. He himself would have to give his Government a detailed account of the meetings and comment at length on the possible consequences to Iran of the various proposals advanced. He was therefore prepared to accept the Acting Director's suggestion to hold an extraordinary session of the whole Committee or of a special sub-committee in the autumn of 1939.

Dr. CARRIERE (Switzerland) (Rapporteur) had anticipated that the Preparatory Committee, or some other ad hoc Committee, would be given the task of preparing a draft of the main articles of the future convention. He felt that it would be easier for Governments to express an opinion on definite, concrete texts, than on mere principles designed to serve as a basis for the convention. Nevertheless, he was quite prepared to support the proposal.

Mr. BOURGOIS (France) warned the Committee that it could not usefully consider the replies of Governments until they had been co-ordinated and collated by the Secretariat. The latter might even go farther and outline the main
/articles of

articles of the future convention on which agreement could most easily be obtained such, for example, as world requirements, production quotas and the establishment of a supervisory body. With such a skeleton scheme before it the Committee would be able to discuss much more easily the replies from Governments and thereafter frame a complete draft convention. The skeleton scheme ought to present the various proposals which had been made -- the quota system, the free order system and the combination of these two systems. Mr. Bourgois could not, of course, speak for the producing countries, but urged them to accelerate their consideration of the subject as much as possible.

Mr. BAHRAMY (Iran) thought that the Committee should be satisfied, for the time being, with the report now before it, which was a masterly summary of the various views advanced in the Preparatory Committee, and offered a practical solution of the problem. It would be unwise to try to frame a draft convention at the present moment. Governments might be asked to submit their replies, if possible, by the end of January 1939 and the Committee could decide at its next session whether further action was feasible.

Mr. RENBORG (Acting Director of the Opium Traffic Section) pointed out that the replies received from Governments would be automatically communicated as soon as received to the members of the Advisory Committee, even before the Secretariat's analytical study was complete and before the next session of the Advisory Committee. He supported the concluding proposal made by the representative of Iran. The Secretariat would make the necessary preparatory study, and the Committee could decide at its May session whether a discussion should be held at that session or postponed to an extraordinary session later in the year. He confirmed, further, that the Secretariat's study would, if the Committee so desired, include a number of draft articles.

Dr. HOO Chi-tsai (China) suggested that, in order to clarify various delicate points in the report, the Minutes of the Preparatory Committee's meetings should be communicated to Governments together with the report.

Mr. RENBORG (Acting Director of the Opium Traffic Section) pointed out that the Chinese representative's proposal would mean re-roneeing a corrected set of the Minutes of the Preparatory Committee's meetings, which had been held in private.

/Dr. HOO Chi-tsai

Dr. HOO Chi-tsai (China) did not think there would be any objection to Minutes in question being published. There were several precedents for such procedure.

Colonel SHARMAN (Canada) pointed out that he had supplied corrections for his own speeches on the assumption that he would duly receive the corrections made by other members. The Canadian Government would certainly wish to have a set of corrected Minutes before finally deciding its attitude on the subject.

The CHAIRMAN inferred from the discussion that the Minutes of the Preparatory Committee would be re-issued with members' corrections inserted. The question of their publication might, he suggested, be settled at a subsequent meeting.

Mr. RENBERG (Acting Director of the Opium Traffic Section) added that if it were eventually decided to issue a printed set of Minutes, these could not be produced before September.

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) had no objection to the Minutes being communicated as proposed, but thought it was the duty of the members of the Committee to report to their Governments the views expressed in the Committee on any questions specially affecting them and to supply them, where necessary, with the relevant Minutes.

Mr. RENBERG (Acting Director of the Opium Traffic Section) recommended members to give the Greek representative's proposal favourable consideration, as it would greatly facilitate the work of the Secretariat and also spare Governments the necessity of examining a large amount of documentation.

In reply to queries, he confirmed that a sufficient supply of corrected and, if necessary, re-revised sets of Minutes would be available.

The CHAIRMAN asked the Committee for its views on the proposed meeting of producing countries.

Mr. BAHRAMY (Iran) pointed out that, in view of the difficulties which it had created, Mr. Sadak had withdrawn his proposal on this point.

/Mr. RENBERG

Mr. RENBERG (Acting Director of the Opium Traffic Section) explained that Mr. Sadak had subsequently expressed to him the hope that the Committee would act on his suggestion that the conversations between producing and exporting countries proposed by the Rapporteur should be held under League auspices.

Dr. HOO Chi-tsai (China) had repeatedly emphasized in the Preparatory Committee the undesirability of the League of Nations lending its support to agreements between producers for the stabilization of prices and division of markets. If, however, the Committee thought such a scheme desirable, he would withdraw his objections. On the other hand, he held that, if the initiative in such a move were to be taken by the League, the usual procedure should be followed and the Council's approval obtained before the Secretariat issued invitations to such a Conference. The Japanese representative's reference in this connexion to Manchuria and Jehol made it all the more necessary to follow the usual procedure. He might, in the same connexion, point out that Manchuria and Jehol were not exporting countries, whereas the proposal, as he understood it, was to institute conversations between representatives of exporting countries only.

Mr. MIHAILOVITCH (Yugoslavia) confirmed the Acting Director's statement regarding the Turkish representative's views on the question. Mr. Sadak and he himself had both agreed that a preliminary agreement between producing and exporting countries would facilitate considerably the work of the Committee's next session and of the future limitation conference.

The questions on which agreement should be sought were: minimum prices as compensation for reduced production and the repartition of the export markets. He could ~~reassure~~ the representative of China that there was no intention of establishing a producers' cartel for the maintenance of maximum prices, even though a precedent already existed in the cartel of drug manufacturing countries. The producing countries had nothing to conceal, and were therefore anxious that the proposed conversations should be held under League auspices.

Mr. BAHRAMY (Iran) held that it was an unfavourable moment to discuss these questions, more particularly when it was uncertain which other countries would wish to participate in the discussions. It would also be premature for the League to take any decision in the matter as Governments had not yet received the Preparatory Committee's report and would wish to await the detailed

comments of their representatives before going into questions of detail, such as the price payable to producers. It was clear, moreover, that consuming countries did not greatly favour the idea of such conversations. Mr. Bahremy did not think that the Government of Iran could agree to such a proposal.

Dr. CARRIERE (Switzerland) said that he had not, when he made his original suggestion, intended to set in motion the complicated mechanism contemplated by the representative of China. He had merely wished to expedite the future discussion of this problem by enabling producing countries to come to an agreement on the question of exports.

Mr. AMAU (Japan) wished to clear up any misunderstanding created by his statement made at the previous meeting. It had been said that the future convention would not achieve its purpose unless all important producing and exporting countries were parties to it. "Manchukuo" was an important producing and importing country which had its own internal plan and policy. From the external standpoint, she imported opium from Korea and other countries. Those facts could not be overlooked as far as Japan was concerned.

Dr. HOO Chi-tsai (China) informed the Committee that he had foreseen and replied at the 1937 Assembly to the arguments advanced by the Japanese representative. He referred the Committee to the records of the Fifth Committee, where they would find his statement to the effect that Japan, by encouraging the production of opium in Manchuria and Jehol, and by claiming that those territories were independent, would create difficulties in connexion with the application of the Limitation Convention.¹

Mr. RENBERG (Acting Director of the Opium Traffic Section) suggested that a simpler solution of the difficulty might be to insert in the Advisory Committee's report a recommendation to producing and exporting countries that they should be prepared, at the next session, to negotiate on the question of quotas for the export trade, on the understanding that such negotiations would be held under the Advisory Committee's auspices -- that was to say, that, for instance, its Chairman would preside over the discussions.

/Dr. CARRIERE

¹

See Official Journal, Special Supplement No. 174, page 58.

Dr. CARRIERE (Switzerland) and Mr. MIHAJLOVITCH (Yugoslavia) accepted the Acting Director's proposal.

Mr. BAHRAMY (Iran) signified his abstention.

Mr. Renborg's proposal was adopted, the Iranian representative abstaining.

FIFTEENTH MEETING

Held on June 21st, 1938, at 10:30 a.m.

PREPARATORY WORK FOR A CONFERENCE TO EXAMINE THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM: QUESTION OF THE PUBLICATION OF THE MINUTES OF THE PREPARATORY COMMITTEE (continuation).

The CHAIRMAN, after having carefully considered the matter, wished to propose that the Preparatory Committee's Minutes should not be published, partly because it would be unwise to decide to do so in the absence of several members of that Committee and partly because the precedent thus created might be prejudicial to freedom of discussion in future cases of the same kind. Members of the Committee would of course be entitled to ask for such extra sets of the Preparatory Committee's minutes as they required.

Mr. BAHRAMY (Iran) saw little difference between the comparative publicity automatically given to the Preparatory Committee's Minutes by their communication to the twenty-two States represented on the Committee and the fuller publicity which it was now proposed to deny them.

Mr. RENBORG (Acting Director of the Opium Traffic Section) pointed out that the Minutes of private meetings sent to Governments were strictly confidential and were not available to the public.

Dr. HOO Chi-tsai (China) asked whether the Secretariat intended to issue a second roneoed edition of the provisional Minutes containing members' correction

Mr. RENBORG (Acting Director of the Opium Traffic Section) replied that if, on examination, extensive corrections were found to have been made, the Minutes in question would be re-roneoed; otherwise, the usual erratum sheet would be issued.

Mr. AMAU (Japan) reminded his colleagues that, at the outset of the Preparatory Committee's discussion, it had been formally decided to meet in private, from which it naturally followed that the Minutes would not be published. Acting on that belief, the members of the Committee had expressed themselves freely on the various points discussed. In those circumstances, he would deprecate any action which would be tantamount to reversing the decision previously taken.

Dr. CARRIERE (Switzerland) agreed with the representative of Japan that, as an important question of principle, not merely of procedure, had now been raised, it would be undesirable to publish the Minutes of meetings held in private.

Dr. HOO Chi-tsai (China) thought that there were several precedents in League practice for the subsequent publication of Minutes of meetings which it had originally been decided to hold in private. The various members of the Preparatory Committee could be asked whether they saw any objection to such publication and the question could be finally decided on the basis of their replies.

Mr. NIND (India) agreed that circumstances might occasionally justify the publication of the Minutes of private meetings, but only if all the members of the Committee in question were present and agreed to such publication. As many members of the Preparatory Committee had now left Geneva, it would, he submitted, be a breach of faith to them if the Advisory Committee now decided on publication.

Mr. BAHRAMY (Iran) reiterated his view that the communication of the Preparatory Committee's Minutes to the various States represented at its discussions and eventually to the members also of the Fifth Committee of the Assembly constituted a form of publicity. He was, however, prepared to fall in with the views of the majority on the subject.

Colonel SHARMAN (Canada) was, in principle, in favour of the Preparatory Committee's Minutes being published, but agreed that it would be a breach of faith to absentee members if their remarks were published without their permission. If this permission was secured as the result of a written consultation, he personally would have no objection to publication.

Major COLES (United Kingdom) reminded his colleagues that the Committee had decided in 1937, for reasons well known to everyone, to conduct the Preparatory Committee's discussions in private, and members had attended that Committee on that understanding. He submitted, therefore, that it would be a gross breach of faith if, now that several members of the Preparatory Committee were no longer present, it was decided to make the records of the discussions public. He was
/fully aware

fully aware that the Minutes of an occasional private meeting were sometimes published, but it was an entirely different matter to publish the Minutes of a whole session. He had the strongest objections, accordingly, to any publication of the Preparatory Committee's Minutes.

The Committee decided that the Minutes of the Preparatory Committee should not be published.

PREPARATORY WORK FOR A CONFERENCE TO EXAMINE THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM (continuation): COMMUNICATION OF THE MINUTES OF THE PREPARATORY COMMITTEE TO GOVERNMENTS.

Dr. CHODZKO (Poland) asked whether the Minutes of the Preparatory Committee would be sent to all Governments concerned, Members or non-members of the League of Nations, or only to those represented on the Preparatory Committee itself.

The CHAIRMAN explained that the report would be sent to all States Members or non-members of the League of Nations, but the Minutes would only be communicated to those members of the Committee who applied for them.

Dr. CHODZKO (Poland) feared that States not represented on the Preparatory Committee might take umbrage if they were not supplied with the Minutes of the Preparatory Committee's proceedings also. He suggested that when the report was transmitted, Governments should be informed that they could also be supplied with copies of the Minutes.

NINETEENTH MEETING

Held on June 24th, 1938, at 10.30 a.m.

CONSIDERATION OF THE DRAFT REPORT OF THE COMMITTEE TO THE COUNCIL ON THE WORK OF ITS TWENTY-THIRD SESSION (documents O.C.1745 and O.C.1745 (a)).¹

The CHAIRMAN invited Dr. CARRIERE (Switzerland) (Rapporteur) to present the Advisory Committee's draft report to the Council.

Dr. CARRIERE (Switzerland) (Rapporteur) explained that to facilitate its examination, the text of the report to the Council had been divided into two parts, the first of which (document O.C.1745 (a)) dealt with the work of the Preparatory Committee for the Conference for the Limitation of the Cultivation of the Opium Poppy, and the second (document O.C.1745) corresponded to the usual report on the work of the Committee itself. He proposed that these two reports be examined in the order of the proceedings to which they referred -- i.e., that document O.C.1745 (a) be taken first.

A. REPORT OF THE ADVISORY COMMITTEE CONCERNING THE PREPARATORY WORK FOR A CONFERENCE TO CONSIDER THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM (document O.C.1745 (a)).²

TITLE OF THE REPORT

Mr. RENBORG (Acting Director of the Opium Traffic Section) suggested that the title of document O.C.1745 (a) be amended to read:

"Report to the Council concerning the Preparatory Work for a Conference to consider the Possibility of limiting and controlling the Cultivation of the Opium Poppy and the Production of Raw Opium and controlling Other Raw Materials for the Manufacture of Opium Alkaloids."

Mr. Renborg's proposal was adopted.

¹ For the final text of the report, see document C.221.M.123.1938.XI (Ser. L.o.N.P. 1938.XI.1) and document C.237.M.136.1938.XI (Ser. L.o.N.P. 1938.XI.2).

² For the final text of the report, see document C.221.M.123.1938.XI (Ser. L.o.N.P. 1938.XI.1), pages 5 to 8.

GENERAL OBSERVATIONS

Dr. HOO Chi-tsai (China) said that it was important not to convey any impression of contradiction between the report of the Preparatory Committee and the Advisory Committee's report to the Council. The latter document gave a very much abridged account of the proceedings, and was misleading on that account.

Colonel SHARMAN (Canada) agreed. He commented on the statement in paragraph 7 concerning the Yugoslav Government's attitude, as follows:

"Finally, the Convention could only be applied if all the countries concerned adhered to it and, in the first instance, the countries which produced and used raw opium."

That statement did not convey the attitude finally adopted by the Yugoslav representative in the Preparatory Committee, as evidenced by the Minutes of the twelfth meeting of the Advisory Committee and the terms of the Preparatory Committee's report, which read:

"The representatives of Turkey and Yugoslavia stated that their Governments would be unable to adhere to a convention which was not ratified by all the principal producing countries."

Dr. CARRIERE (Switzerland)(Rapporteur) said that he had taken the expressions used in his report from the written text handed in by the delegate of Yugoslavia.

Mr. RENBORG (Acting Director of the Opium Traffic Section) thought that a distinction should be made between document O.C.1744 (I), representing the views of the experts in the Preparatory Committee -- which were not binding on Governments -- and the present report, which in certain cases contained Governments' views, as expressed by their representatives on the Advisory Committee.

Mr. CARNOY (Belgium) endorsed the remarks of the Canadian representative. The Yugoslav delegate had accepted the phrase, "principal producing countries", after a full discussion as to the implications of the word "principal" from the point of view of the future Conference.

¹ See document C.221M.123.1938.XI (Ser.L.o.N.P.1938.XI.1) page 24.

Dr. HOO Chi-tsai (China) supported the observations of the Canadian and Belgian representatives. The report to the Council must be so phrased as to give an accurate view of the results obtained by the Preparatory Committee.

Dr. BOJIDAR VAJITCH (Yugoslavia) asked that the text of the passage referred to might be allowed to stand for the present. He was not prepared to adopt a definite position in the matter. He could, if necessary, take up the question with his Government.

Dr. CARRIERE (Switzerland)(Rapporteur) while maintaining his previous statement, recognized that the Yugoslav representative had accepted the expression "principal producing countries" in the discussion on this point in the Preparatory Committee.

Mr. RENBORG (Acting Director of the Opium Traffic Section) quoted in extenso the relevant passage in the Minutes of the twelfth meeting of the Advisory Committee.

After further discussion, in which the Chairman and the representatives of Belgium and China took part, the Committee agreed, on the proposal of the Acting Director, to retain the passage quoted by Colonel Sharman and to insert a footnote recalling the earlier discussions on the subject.

Mr. AMAU (Japan) asked for the insertion of a passage reflecting his statement at the twelfth meeting of the Advisory Committee. He said that the Convention could not achieve its purpose unless at least all the important producing and importing countries were parties to it. There was, he said, an important producing and importing country "Manchukuo". Internally, she had a certain definite policy on opium questions; externally she had trade relations, so far as opium was concerned, with Japan and other countries. That was a fact which could not be overlooked.

Dr. HOO Chi-tsai (China) pointed out that the phrase "Japan and other countries" was not quite correct. There was the question of import and export certificates. There were certain producing countries which sold to Manchuria and Jehol and certain countries which did not. The phrase "Japan and certain other countries" would, he thought, be a truer description of the position.

/Mr. AMAU

Mr. AMAU (Japan) assented.

The Committee agreed to insert in the report a text on the lines proposed by the Japanese representative as amended by the Chinese representative.

Mr. BAHRAMY (Iran) asked for the insertion of a paragraph as follows:

"The representative of Iran observed that, not being an expert on these matters, he was not at present able to enter into questions of detail like his colleagues but that he reserved his right to deal with them in due course."

The text proposed by the Iranian representative was adopted.

Mr. KARADJOFF (Bulgaria) asked for the insertion of an amendment stressing the fact that Bulgaria, until recently a producing and consuming country, was now a producing country only. He submitted the following text:

"Bulgaria had decreased the cultivation of the opium poppy and prohibited the manufacture of drugs. She had thus, up to a recent date, been both an opium producing and consuming country. She was now a producing country only and as such had

to replace the opening phrases of paragraph 13 reading as follows:

"Bulgaria had decreased the cultivation of the opium poppy and prohibited the manufacture of drugs. She was therefore both a producing and consuming country and as such, had

The text proposed by the Bulgarian representative was adopted.

Dr. HOO Chi-tsai (China) recalled the text of the Preparatory Committee's report, in which he was rightly reported as having stated in that Committee that his Government took the view that the new convention should provide for the suppression of the use of prepared opium within a fixed period, which, it suggested, should be five years.

He asked for the insertion in the report of the Advisory Committee of an amended text to replace paragraph 15 which now read as follows:

"The representative of China emphasized that the principal object in view was the suppression of all non-medical uses of opium. The object of the Hague Convention of 1912 had been the total suppression of the practice of opium-smoking. The Opium Agreement of 1925 had been adopted with the same object. The future convention must set a time-limit for the final suppression of the use of smoking opium, with a substantial annual reduction if an effective result were desired."

/He would

He would propose the following text:

"The representative of China emphasized that the principal object of the convention was the suppression of all non-medical use of opium. The suppression of the illicit traffic and the limitation of the production of raw opium should not be considered in themselves to be the object of the future convention. If sight were lost of these considerations, the convention would not represent any progress in the campaign against the abuse of narcotic drugs in comparison with the Conventions already existing. The future convention must set a time-limit for the final suppression of the use of prepared opium, with a substantial annual reduction of the production of raw opium, if an effective result were desired. He therefore drew special attention to the importance of the following passage in the report submitted by the Preparatory Committee and adopted by the Advisory Committee:

"There was general agreement that the results of the future convention should be the abolition of the use of prepared opium and a corresponding decrease in the production of raw opium."¹

The text proposed by the Chinese representative was adopted.

The report of the Committee to the Council on the work of the Preparatory Committee was adopted as a whole.²

¹ See document C.221.M.123.1938.XI (Ser.L.o.N.P. 1938.XI.1), page 16.

² Ibid. pages 5-8.

Part III

ADVISORY COMMITTEE ON TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS
Minutes of the 24th session, held in Geneva from 15 May to 12 June 1939, which are concerned with the preparatory work for a conference to consider the possibility of limiting and controlling the cultivation of the opium poppy and production of raw opium.

Sources: League of Nations documents O.C./24th Session/P.V. 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 25, 26, 27, 28, 31, 32, 33.

Members: Major W. H. Coles (Chairman)	United Kingdom
Russell Pasha (Vice-Chairman)	Egypt
Mr. G. Bourgois (Rapporteur)	France
Mr. J. P. Rezet (Technical Adviser)	
Mr. Carnoy	Belgium
Dr. D. Karadjoff	Bulgaria
Mr. I. Radeff (Substitute)	
Colonel C. H. L. Sharman, C.M.G., C.B.E., I.S.O.	Canada
Mr. A. Rive (Adviser)	
Dr. C. T. Hoo	China
Mr. T. Chen (Substitute)	
Mr. A. Embiricos-Coumoundouros	Greece
Mr. A. Phocas (Substitute and Expert)	
Dr. R. Ballenegger	Hungary
Mr. W. W. Nind	India
Mr. A. Entezam	Iran
Mr. V. Pilossian (Expert)	
Mr. M. Tello	Mexico
Dr. L. Salazar-Viniegra;	
Mr. J. Daessle-Segura (Substitutes)	
Mr. J. H. Delgorge	Netherlands
Mr. G. van Blokland (Substitute)	
(Absent)	Peru
Mr. W. Chodzko	Poland
Mr. R. A. de Magalhaes	Portugal
Mr. A. E. Blanco (Observer)	Spain
Dr. H. Carrière	Switzerland

Members (continued):

Mr. P. Rajawangsan	Thailand
Mr. N. Sadak	Turkey
Mr. S. Berkin, Mr. H. Erkanf (Substitutes); Mr. S. Acba (Expert)	
Mr. H. Anslinger; Mr. S. J. Fuller	United States of America
Mr. A. de Castro (Absent)	Uruguay
Dr. S. Gavrilovitch Dr. D. Mihailovitch, Dr. S. Karitch (Substitutes) Dr. D. Nicolitch (Expert)	Yugoslavia
Assessor: Dr. F. Y. M. de Myttenaere	
Secretary: Mr. E. E. Ekstrand, Director of the Opium Traffic and Social Questions Sections.	

With the exception of part of the 31st and 33rd meetings, all the discussions were held in private.

The representatives of Peru and Uruguay were absent from all the meetings. Mexico was not represented at the 13th and 31st meetings. Mr. R. A. de Magalhaes (Portugal) did not attend the 14th, 15th, 16th, 17th and 18th meetings. Russell Pasha (Egypt) did not attend the 25th, 26th, 27th, 28th and 33rd meetings. The United States was not represented at the 25th, 27th and 32nd meetings. Mr. Ballenegger (Hungary) did not attend the 26th and 28th meetings. Yugoslavia was not represented at the 26th, 31st and 32nd meetings; Greece at the 32nd meeting. Mr. Carnoy (Belgium) was absent at the 31st, 32nd and 33rd meetings; Phya Rajawangsan (Thailand) did not attend the 33rd meeting.

NINTH MEETING

held on May 22nd, 1939, at 10.30 a.m.

VII (a) PREPARATORY WORK FOR A CONFERENCE TO CONSIDER THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS FOR THE MANUFACTURE OF OPIUM ALKALOIDS.

The CHAIRMAN, on behalf of the Committee, extended a welcome to Sir Malcolm Delevingne.

The plan which the Committee had adopted in the previous year and sent to Governments for their observations had been very well received and was considered by Governments as a suitable basis for further consideration and international conference. The Secretariat had been asked to prepare, in the light of Governments' observations (O.C.1751 series), drafts of the principal articles which might go into a new convention. Few Governments had gone into details, however, so that the Secretariat had not received very much guidance from their observations in its work.

Referring to the documentation before the Committee, the Chairman said that members were about to receive a special table on export trade, which was of particular importance as showing the share of each producing country in the legitimate export trade in the past. The Committee had also still to receive draft articles concerning international regulation of prices and statistical information to be furnished and international control of the application of the Convention.

The Committee's object at the present session was to produce a draft convention, containing provisions on the main questions, which might subsequently be submitted to Governments for their observations. The Committee had not to discuss or frame a legal text of articles; it had only to adopt principles and to devise machinery for their practical application. The Conference itself and its lawyers would be responsible for the legal drafting and formal matters.

The Committee might not reach agreement on all points of importance at the present session. It would in that case have to submit alternative articles for consideration.

/The Committee

The Committee was working as an advisory organ to the Council and as a body of experts. Members were not binding their Governments to final acceptance at the Conference of matters on which agreement had been reached in the Committee, though of course the opinions expressed in the Committee would be a good indication of the attitude the Governments would be likely to adopt at the Conference.

Mr. SADAK (Turkey) said that each country must define its point of view and shoulder its responsibilities. The question of limitation was of world-wide importance and the work should not be allowed to suffer a check from useless sterile discussion. The Committee's task was very difficult and complicated, and involved certain economic and financial considerations, but was essentially humanitarian in character. Not only goodwill, but also sacrifices, were necessary.

On behalf of the Turkish Government he would repeat what he had said on previous occasions, namely that Turkey was ready to make sacrifices and carry out the largest possible measure of limitation. Public opinion would, however, have to be convinced that the sacrifices involved had really served a humanitarian cause and had resulted in a reduction in the illicit traffic. It was essential that all the countries concerned should contribute to the result. Public opinion in his country must be certain that sacrifices would not merely lead to increased production in other countries and an increase in illicit traffic.

Turkey was ready to accept the basis of limitation arising out of earlier discussions, but the Turkish delegation's optimism had been greatly decreased on reading the observations submitted by Governments in reply to the Secretariat's questionnaire.

If any progress were to be made the Committee must agree on certain principles, namely that there should be equality of treatment and equality of sacrifices for all producing and consuming countries.

Mr. MIHAILOVITCH (Yugoslavia) read the following statement:

Mr. Chairman: At the last session of the Preparatory Committee and the Opium Advisory Committee (May-June 1938), I had the honour to express the point of view of the Royal Yugoslav Government concerning the principles on which the

/convention

convention for restricting and controlling the cultivation of the opium poppy and the production of raw opium should be based. I had already stated on that occasion that the Yugoslav Government accepted the principle of the limitation of production, but that, in addition to its purely humanitarian aspect, which is a matter of concern to all civilised nations, this problem has economic and social aspects which are of by no means negligible importance for Yugoslavia. This point was explained at length by the Yugoslav delegation on several occasions during the discussions. The acceptance of the foregoing principle does not merely mean that Yugoslavia is prepared to collaborate in framing the convention on the restriction of the cultivation of the opium poppy and the production of raw opium; it also means that it agrees to abide by such a convention and to ensure its application, provided certain questions which it regards as essential are included and settled.

The Royal Yugoslav Government is therefore of opinion that the following points ought to be settled when the future convention is drawn up.

(1) THE EXTRACTION OF MORPHINE FROM DRIED POPPY STALKS AND CAPSULES.

I shall revert to this question later to develop the point of view of the Royal Yugoslav Government.

(2) QUESTION OF OPIUM FOR SMOKING.

At last year's session of the Preparatory Committee and the Advisory Committee, the Yugoslav delegation stressed the importance attached by their country to the distinction which should be made between opium for smoking and opium for the manufacture of opiate drugs. Regarding this as a fundamental question, it urged that those two kinds of opium should be dealt with separately in the future convention. To revert to this point once again, it should be observed that there are two entirely distinct markets, that Yugoslav opium has never been used for consumption by smokers, but solely and exclusively for the manufacture of opiates.

(3) REPLACEMENT OF OPIUM POPPY CROPS.

The Yugoslav Government considers that, in the future Convention, primary consideration should be given to the need for facilitating the replacement of opium crops in producing countries where the areas under poppy are to be reduced.

/If, for

If, for humanitarian reasons, producing countries are required to limit the production of raw opium, they should not be asked in addition to bear the whole burden of the material sacrifices thereby entailed.

(4) MINIMUM PRICES.

This question has hardly been touched previously; yet it is one of the chief problems to be solved by the future convention. It is essential for producing countries to be able to obtain reasonable prices for the small quantities of opium they will produce in future.

(5) THE QUESTION OF CONFISCATED OPIUM AND OPIATE DRUGS.

The Royal Yugoslav Government's views on this matter are already well known. The convention for the restriction of the cultivation of the opium poppy and the production of raw opium should provide for the destruction of confiscated opium and opiate drugs. The Yugoslav Government has urged that this question should be included among the essential principles on which the future convention will be based, because it considers that the very principle of the limitation of the production of raw opium cannot be accepted by producing countries unless this question is settled beforehand on the lines advocated by it at the 1938 session of the Opium Committee. The solution proposed was approved by all the producing countries and by a large number of consuming countries.

(6) The High Contracting Parties should undertake not to import or export raw opium coming from or going to territories of States not parties to the Convention.

Colonel SHARMAN (Canada) read the following statement:

Since the 1938 Session of this Committee I have endeavoured to give careful study to the innumerable angles which are present in relation to such a difficult subject of limiting and controlling both the cultivation of the opium poppy and the production of raw opium, on anything like a worldwide basis. I have also endeavoured to again study the voluminous documentation which has in the past two years been made available to us. This study has not been critical in the sense that there was any desire to dispose of the subject, summarily or

/otherwise,

otherwise, with the conclusion that it constituted an insoluble problem. On the contrary, my Government has expressed its official opinion that the principles arrived at and circulated appear to indicate the possibility of a draft Convention being prepared, and further indicated that it was its sincere wish that the deliberations in relation thereto would be brought to a successful conclusion.

Nevertheless, the question which persisted in presenting itself to me, and in relation to which I still maintain considerable doubt, is one which is obviously prompted by an appraisal of the existing situation, and not from any lack of sympathy with the objective, and that is, "Have we yet sufficient essential information available to warrant our proceeding with the final steps towards an International Conference?" Perhaps that question might be paraphrased to read, "Having regard to the fact that certain important producing countries have not supplied, or cannot supply, adequate figures as to the past, and the further fact that little, if any, co-operation has been forthcoming from some of them during the work of the past two years, are we justified in assuming that they will in any way assist in the preparation of such a Convention if an International Conference is called, or subsequently sign or administer it?"

It might be replied that we will have to wait and see, but I would submit that, while certain principles may be enunciated, they cannot be effectively applied if based upon only a minor fraction of the facts relating to the whole problem.

I propose, therefore, to outline to some extent the difficulties which appear to present themselves from this angle. They have, of course, to some extent, been referred to in the course of our past discussions, as on Page 11 of the 1938 Report to Council (O.E.1745(a)(1)) it is stated:

"The annual production of opium, excluding Afghanistan, China proper, Manchuria and Jehol (Manchukuo), amounted in 1936 to about 2,300 tons, while the estimated stocks held in the producing countries, again excluding those mentioned above, reached in 1936 the alarming total of about 3,500 tons. Accurate statistical information as to the production of opium in the excepted countries is not available, but it is estimated far to exceed the production of the rest of the world."

/Obviously,

Obviously, therefore, the materials we are working on constitutes only a fraction of that relating to the whole problem, and as I will endeavour to show, the list of excepted countries is by no means complete. Then again, there are important exceptions as to accuracy in relation to the material which is available to us for study; for example, on page 5 of the Provisional Minutes of the 18th meeting, Twenty-Second Session, the Secretariat stated:

"The tables were based on official statistics; in many cases the figures were uncertain, and in some important cases they were missing."

Then again, as late as March, 1939, the Director, on Page 2 of the O.C./Confidential/45, states:

"In making comparisons, however, it is necessary to bear in mind that the statistics in some countries are not complete, and therefore strictly not comparable."

Dealing first with the excepted countries referred to above, which are only AFGHANISTAN and CHINA, north and south of the Great Wall, I have not been able to locate any information in relation to AFGHANISTAN which covers a period of two consecutive years. Apparently our information is limited to the production figure of 192 tons referred to in the Annual Report for 1932, and 82 tons in the Annual Report for 1937.

During the 1937 Session (P.V.17, page 7) the United States delegate commented on:

"There being no mention of AFGHANISTAN in the Synoptical Tablos, and stated that the figures given on page 5 were not entirely comprehensible, but seemed to suggest that AFGHANISTAN would rank third or fourth among the countries producing opium. It was also common knowledge that she had recently exported some 6,000 kilos to Iran."

The Director replied that the Secretariat had exhausted the usual methods of obtaining information, and a study of the relevant literature on the subject had not produced much result. It will also be remembered that AFGHANISTAN did not accept an invitation to take part in the Preparatory Work of this Committee.

/In so far

In so far as CHINA is concerned, we have the results of the careful survey made in 1935 and referred to by the United States delegate at the 1936 Session (Page 63 of the Minutes), in which he stated:

"The survey covered every Province in China, both north and south of the Great Wall. ... The figures for opium production were tabulated, the lowest estimate being taken for each Province. The total production came to 12,261 metric tons, or over 90% of the world production. The largest producers in 1935 were:

Yunnan (about the size of Poland)	-	4644	metric tons
Szechuan (" " " " France)	-	4334	" "
Manchuria and Jehol	-	1325	" "

Now we come to countries whose statistics are apparently within the scope of the material furnished to this Committee.

In IRAN the figures vary from 1485 tons in 1936 to 575 tons in 1937. Figures for previous years, at any rate, appear to be subject to some reservations. For example, the 1935 figure (919 tons) was communicated by the IRANIAN delegation on April 2nd, 1937. A letter from the same delegation, dated April 12th, 1937, stated, however, that:

"There is a statistical error in the figure for the annual production of opium. The correction of this figure, and supplementary information, have been sent by post."

A foot-note to the document containing the above stated that no further information reached the Secretariat, who therefore did not change the original figure.

Again, in a letter dated April 26th, 1938, (O.C./Confidential/18(d)), it is stated:

"The monopoly introduced quite recently has only lately begun to be effective; previously all estimates were quite rough, and were far from representing the real amount of the annual harvest of opium It is being found, surprisingly enough, that despite the limitation of that area the crop is enormously greater than the estimates, a clear proof of the amount of smuggling that formerly went on without the knowledge of the Government officials."

/Another

Another qualification of IRANIAN figures is found in Document O.C./Confidential/45, dated March 14th, 1939, in which it is stated:

"For these reasons, the percentages cited may be misleading."

Then with regard to PERU, it will be remembered that at the Twenty-Third Session, on pages 15 and 136 of the Minutes, I made reference to the reported figure of 551 kilogrammes of prepared opium manufactured in 1935, and a consumption of 544 kilogrammes in that year, while no other figures were available. We were informed that the Director would bring further information back with him from PERU, but this was not available at the 1938 Session, nor has it, I believe, been circulated since.

PERU, although a member of the Advisory Committee, was not represented at the 1938 Meeting, and I understand has since forwarded her resignation from the League of Nations. Surely it is of importance to know more about this apparent production on the South American Continent, which I gather is by no means of recent origin, as back in 1931 a certain well known international trafficker was questioned in New York, and in the course of a long statement said:

"I was a man who had business in Paris in relation to opium and this man had a club in Paris and they asked a gentleman to speak with me because he had something very important to say to me and so he spoke to me and said that PERU had a monopoly of opium and that he was selling, to this representative of the monopoly of PERU, opium for the Government."

Later on he said:

"At the same time the Government of PERU offered to my brother the monopoly."

and again:

"I sent a cable to my brother-in-law and when the Director of the Monopoly of the Government knew the cable, etc., etc."

This man was then questioned as follows:

"Q. You mentioned an opium monopoly in PERU.

You did not mean opium, did you?

A. Yes, opium.

Q. Or did you mean cocaine?

A. No, I meant opium."

/It will be

It will be realised, therefore, that it is most desirable that further information should be available to this Committee in relation to an opium monopoly which has apparently existed in PERU for at least nine years.

INDIA.

Then in relation to INDIA, the Government of that country, in Document O.C.1751(e), dated March 6th, 1939, specifically limited its obligations in relation to the proposed Conference to BRITISH INDIA, and stated that it was necessary to make a formal reservation on behalf of the NATIVE STATES.

This, I take it, would leave a huge gap in any effective administration of world control of the production of opium which the proposed Convention envisages.

The production figures for BRITISH INDIA show a variation from 430 tons in 1932 to 77 tons in 1936, as shown in the letter of the Government of INDIA, dated April 28th, 1938 (O.C./Confidential/18(2)). However, other production figures in BRITISH INDIA are found at the foot of page 6 in the same document, showing the 1932 figure as 708 tons and the 1936 figure as 186 tons. This difference of over 200 tons in the former year, and over 100 tons in 1936, is apparently explained in a foot-note which says:

"The production figures for BRITISH INDIA for the years 1933-35 are not taken from the statistics published by the Permanent Central Opium Board, but from the Annual Reports of the Government of India. The reason for this is that for certain years the production statistics of the Permanent Central Opium Board comprise also the amount of raw opium produced in CENTRAL INDIA (which I presume means the NATIVE STATES) and purchased by the Government."

Then again, in the 1938 Report to Council O.C.1745(a)(1), dated June 24th, 1938, it is stated:

"Stocks are high, but those held by the Government of INDIA are gradually being reduced (1294 tons in 1935, 839 tons in 1936). Those held by the INDIAN STATES rose from 175 tons in 1929 to 384 tons in 1933 and 399 tons in 1934 (the latest year for which figures are available)."

/I am sure

I am sure the Committee will realise that I am not attempting to criticize, but am quoting merely to show that there is specific intimation that, so far as the Government of INDIA is concerned, their responsibilities in relation to any new Convention will not apply to the NATIVE STATES, whose stocks, according to the latest figures available to me, were in excess of a year's supply of the legitimate medical needs of the whole world. This surely is an important factor in the work of this Committee in relation to "the possibility" of limiting and controlling the production of raw opium from the world standpoint. I would also suggest that it cannot be considered as being a purely local matter, in view of the statement contained on page 3 of the Annual Report for 1935 covering the INDIAN STATES, communicated by the Government of INDIA, which reads:

"A certain amount of opium is smuggled into BRITISH INDIA from the STATES, but having regard to the measures taken by the employment of a special staff to detect and prevent contraband traffic both in the area around the STATES and at the seaports, it is hoped that not much opium from these STATES is finding its way into the illicit international traffic.

Dealing, therefore, with the whole aspect of our Preparatory Work, it is, I submit, a fair subject for careful consideration as to whether we are justified in proceeding with any detailed study of the articles of a proposed Convention, many of the provisions of which cannot fail to be very controversial from the standpoint of either the producer or the consumer, until we have ourselves taken stock of our available information and come to a decision in relation to one or two questions which automatically arise as a result, such as

- (1) Have we detailed and accurate information in relation to even 10% of the world's production of opium over a reasonable comparative period?
- (2) Is there reasonable justification for the belief that even 10% of world production would come within the administrative orbit of any Convention which might be arrived at?
- (3) Having regard to the enormous quantities of opium, enormous in relation to either all present world needs or those purely of a medicinal nature, which certainly up to this date are not under any kind of control which would be susceptible of co-ordination into international control, as would be contemplated, are we justified in recommending any draft Convention based upon such incomplete data?

/This Convention

This Convention might well be of a very different character if not only were such data reasonably complete, but if there were available to the Committee the advice and opinions of those who control territories from which a huge proportion of the world's production is forthcoming.

I would repeat that the attitude of my country is sympathetic and not antagonistic, but it is felt that the present situation should be dispassionately considered from a reasonably practical standpoint, in order to ensure that the objective that we all have in mind may not possibly receive a serious setback due to action which might be taken at this time on an insufficient foundation of fact and co-operation.

Mr. NIND (India) said that the representative of Canada had devoted a fairly large portion of his statement to the position as regards India and had alluded to the Government of India's reply to the Secretariat and to the Government of India's statistics. He did not propose going into the question of statistics at the present stage beyond referring to the figures in O.C. Confidential/18.3, which showed that the Committee need not worry much about the production of opium in British India. The diminution shown by those figures was due to the Government of India's decision in 1936 to stop furnishing opium to monopolies in the Far East. Colonel Sharman had referred to the Government of India's reservation with regard to the Indian States as likely to leave a "huge gap". It was natural for anyone not acquainted with the position in India to be afraid that the reservation would be one of major importance. He would, however, ask the Committee to read again paragraph 2 of the letter from the Government of India, which pointed out that the latter controlled the only routes by which opium from the Indian States could reach countries outside India. Further, the Committee would see from the seizure reports that extremely little Indian opium had been found in the illicit traffic. He did not think the Committee had any cause for alarm on that score. The position indeed in the Indian States was such that there was only one State, Khota, producing opium other than for its own consumption or for the factory of the Government of India.

In recent years the latter had devoted great attention to the question of opium produced in the Indian States. As mentioned in paragraph 4 of the letter

/from the

from the Indian Office, stocks had been reduced from 278 tons in 1934 to 187 tons in 1936. When replies to the questionnaire on limitation had been sent in, it was pointed out that in Khota the position was not satisfactory; but that state of affairs now no longer existed, and control there was almost as effective as that in respect of opium produced in British India or purchased from the Indian States.

He trusted that the above facts showed that the "huge gap" referred to by Colonel Sharman was in reality extremely small.

Colonel SHARMAN (Canada) said that in using the term "huge gap" he had been referring not to any particular figures or to the illicit traffic but merely to the gap which would exist as regards the administrative machinery for the application of a future limitation convention.

Mr. NIND (India) hoped that what he had just said would have reassured Colonel Sharman with regard to the administrative aspect also.

Mr. BOURGOIS (France), speaking as representative of a Government which had declared that it was ready to take part in a conference based on the plan before the Committee, agreed with the Canadian representative that serious difficulties existed, but did not think they were such as to make it impossible to set up machinery for the limitation of cultivation and production similar to the machinery which had been set up for the limitation of manufacture. In that case offences had not been done away with (just as the legal code did not do away with crime), but the convention had been very useful in defining offences and had considerably reduced illicit traffic.

He did not know whether Governments would decide to hold a conference, but the Committee would give them valuable assistance enabling them to reach a decision.

Dr. CARRIERE (Switzerland) made the following statement:

The Swiss Federal Government considers it essential in order to render the campaign against the abuse of narcotic drugs really effective, to limit the production of the raw material, i.e. opium, as the production

of the narcotic drugs themselves was limited. That necessity was stressed by the Swiss delegation to the Assembly from the very beginning and on repeated occasions in accordance with the instructions it received.

My Government thus could not but favour the conclusion of an international convention which would enable such production to be limited by limiting the area under poppy cultivation. While supporting the general principles adopted by the Preparatory Committee with a view to making such limitation possible, it cannot, however, take a decision until it is in possession of a final draft of the convention, and it reserves the right to support any provision which will give our chemical industry all guarantees that it will be able to obtain the necessary amounts of opium for manufacture and the maintenance of the normal stocks required in connexion with such manufacture.

Dr. CHODZKO (Poland) said that the Polish delegation shared the anxiety expressed by the Canadian representative, but he would remind the Committee that delegates to the 1931 Conference were not in possession of as much information as was now available. In spite of difficulties, that Conference had accepted a convention which set up the Supervisory Body, with very satisfactory results. Any anxiety he had felt had been greatly decreased by the observations of the representative of India.

It would be very dangerous, and even prejudicial to the prestige of the League's work, if the Committee were to abandon their task merely because they had not complete statistics available. They should of course give the Secretariat power to approach certain States which had not provided statistics, and the position in that respect might improve.

Previous conventions had not produced results until after a certain time had elapsed. That would doubtless be the case with the convention they were now discussing. Such a convention would however be most useful in defining what could be regarded as licit and illicit in production and trade.

/Mr. CARNOY

Mr. CARNOY (Belgium) said he had not been instructed by his Government to make a statement at that stage, but he would say that it regarded with favour any effort to forge an additional instrument of limitation. Like Switzerland, Belgium had to consider the case of its chemical industry, but that did not mean that it was not in favour of the proposed convention. Colonel Sharman had been pessimistic, but the Committee should not allow itself to be discouraged by difficulties. He agreed with the remarks made by Dr. Chodzko and Dr. Carriere. It was not for the Committee to decide whether a conference was to be convened, but for Governments, which would be provided by the Committee with a suitable draft convention. Even if a general conference were not held, it should be possible to find means of establishing some form of limitation machinery for certain parts of the world. Some countries, which were faced with difficulties owing to existing political conditions, might be in a better position later on.

TWENTY-FOURTH SESSION

Tenth Meeting

Held on May 22, 1939, at 3.30 p.m.

VII (a). PREPARATORY WORK FOR A CONFERENCE TO CONSIDER THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM-POPPY AND THE PRODUCTION OF RAW OPIUM AND CONTROL OF OTHER RAW MATERIALS USED IN THE MANUFACTURE OF OPIUM ALKALOIDS.

General Discussion (continued)

Mr. CHEN TING (China) read the following statement:

"This morning the delegate of Canada made a reference to the situation north and south of the Great Wall in China. I wish to draw the attention of this Committee to the fact that the situation in the Chinese territories occupied by the Japanese is entirely different from that in the territories under the control of the Chinese Government. So far as the cultivation of poppy in the producing provinces under our control is concerned, measures for suppression have been strictly and effectively carried out. Considerable progress in the reduction of cultivation has been made, and statistics bearing out this statement are contained in our annual report. I can assure the Committee that my Government will continue its efforts in this direction, and it is possible to hope that a total suppression of poppy-cultivation will be achieved even before any other producing countries undertake further to reduce their cultivation under the future Convention.

"As regards conditions in the areas now occupied by the Japanese, the situation is indeed very alarming. As the Committee knows only too well, part of our territory is, for the time being, under Japanese control, so my Government cannot, of course, assume any responsibility for the situation prevailing there."

Drafting of the principal articles which might be embodied in a convention for limiting and controlling the Cultivation of the Opium-Poppy and the Production of Raw Opium and Control of other Raw Materials used in the Manufacture of Opium Alkaloids.

The CHAIRMAN observed that they were now to become a purely technical committee whose function would be to produce machinery for limitation to be put before Governments for their approval.

/Chapter I

Chapter I - Definitions

Article I, Section 3

Mr. SADAK (Turkey) proposed the addition of representatives of the main producing countries to the Supervisory Body, and the amendment of the Article accordingly.

Mr. RENBORG (Secretariat) noted that this point had been raised by the Turkish representative last year and subsequently mentioned in the Committee's report to the Council. The Supervisory Body was a body of experts nominated by four special organs and representing no particular countries; it would therefore be difficult to add purely national members. The Secretariat had, however, given consideration to the Turkish request, and would be able to submit the draft of an article providing for the possibility of the High Contracting Parties' sending representatives when their national interests were concerned.

Mr. MIHAILOVITCH (Yugoslavia), supporting the proposal of the representative of Turkey, thought it would be advantageous in that representatives of the countries most directly concerned would thereby be available for consultation.

Mr. EKSTRAND (Director of the Opium Traffic and Social Questions Sections) thought it desirable that such an Article should be prepared immediately, without prejudice, and the discussion resumed when that draft article was available.

Agreed.

Section 5

Mr. CARNOY (Belgium) thought the definition of "opium-poppy" was too narrow, since other varieties existed as well as Papaver somniferum L.: he suggested the addition of the phrase "and other varieties of sleep-producing poppy".

/Mr. ANSLINGER

Mr. ANSLINGER (United States of America) observed that the definition of "poppy-plant" (Section 9) would also have to be revised, because morphine could be derived from other varieties of poppy than Papaver somniferum L.

Mr. BALIENECHER (Hungary) asked what were the other varieties of opium-poppy: the only variety he knew was Papaver somniferum.

Mr. ANSLINGER (United States of America) said that there were at least three others, namely, Papaver orientale, Papaver spinosum, and Papaver dubium.

Mr. BOURGOIS (France) had learnt from library research that even Papaver setigerum, a variety of poppy found in certain parts of France, yielded a small quantity of opium.

The CHAIRMAN suggested that further research on this point should be undertaken either by the Secretariat or by a small sub-committee.

Mr. BERKIN (Turkey) mentioned that valuable information had been obtained by the Turkish Government's opium experimental station near Istanbul, and its two experimental farms at Afyonkarahisar and Merzifon, and would be glad to place this information at the Secretariat's disposal.

Dr. de MYTTEWIERE (Assessor) thought that since Papaver somniferum L. was the only species of poppy of serious importance from the point of view of opium extraction, they should refrain from altering that definition, which was implied in the Opium Conventions.

Colonel SHARMAN (Canada) observed that this discussion illustrated the difference between the scientific and the administrative viewpoint. Though Papaver somniferum might be the only variety of opium-poppy in extensive cultivation at the present moment, that did not mean that other varieties with lower morphine yields would not be cultivated if Papaver somniferum alone were prohibited. The possibility of such diversion of cultivation was well illustrated by the development of the traffic in morphine esters after morphine control had been instituted by the 1925 Convention.

/Mr. ANSLINGER

Mr. ANSLINGER (United States of America) observed that Papaver orientale, an opium-producing poppy, had been grown experimentally in California, but did not come within the terms of the Convention.

Sir Malcolm DELEVINGNE (United Kingdom) suggested that the difficulty mentioned by the representatives of the United States and Canada might be solved by the addition of a clause providing for the application of the Convention to any further varieties of opium-poppy which might be discovered. A similar procedure had been adopted in the 1931 Convention in order to cover drugs not specified in the Convention and discovered after its entry into force.

Mr. PHOCAS (Greece) proposed the addition to the draft definition of the phrase "or any poppy containing the alkaloids of Papaver somniferum L."

Mr. BALLENEGGER (Hungary) proposed the wording, "any poppy containing a sufficient quantity of extractable alkaloids".

The CHAIRMAN again suggested, and it was agreed, that the question be referred to a sub-committee for study.

Section 6

Mr. MIHAILOVITCH (Yugoslavia) raised the question of the appropriateness of the term "empaquetage" in relation to the preparation for transport of raw opium: in actual fact there was no "empaquetage" of raw opium.

Mr. EKSTRAND (Director of the Opium Traffic and Social Questions Sections) agreed that Mr. Mihailovitch's observations were accurate, but pointed out that the English word "packing" was susceptible of less rigid interpretation than the nearest French equivalent, namely "empaquetage", and covered the entire process: it should be fully understood that for the purposes of this Convention the term "empaquetage" had the signification of the English word "packing".

Section 8

Mr. PHOCAS (Greece) thought the final word "consumption" should be changed to "smoking", because it was the smoking and not the eating of opium that they were endeavouring to prevent.

/Mr. MIHAILOVITCH

Mr. MIHAILOVICH (Yugoslavia) stated that this definition of "prepared opium" did not cover Yugoslavian opium, which did not become as the result of these processes an extract suitable for consumption.

Mr. RENBORG (Secretariat) explained the basis of the draft definition, and thought that, despite Mr. Mihailovitch's misgivings, it was nevertheless possible to manufacture prepared opium as defined from Yugoslavian opium. If the smokers did not like prepared opium made from Yugoslav opium, that was an entirely different matter.

Section 9

Mr. RENBORG (Secretariat) observed that they might have to make an exception in the case of opium-poppy seeds, which did not contain morphine.

Mr. DELGORGE (Netherlands) thought this case was covered by the phrase, "which may be used for the extraction of drugs".

The CHAIRMAN suggested that this point be left to the Sub-Committee.

Agreed.

Section 10

Mr. DELGORGE (Netherlands) considered that this was not a good definition of "drugs". In his opinion, it would cover neither paracodine nor preparations derived direct from raw opium and containing less than twenty per cent of morphine. He proposed the wording "all drugs to which the Limitation Convention is or may be applied, with the exception of those enumerated in sub-group (a) iii of Article 1, and of ecgonine."

Mr. RENBORG (Secretariat) said that Mr. Delgorge's proposed wording might be considered in the Sub-Committee.

Sections 12, 13, and 14

Mr. DELGORGE (Netherlands) observed that there was no definition of "ordinary" or "working" stock.

/Mr. STEINIG

Mr. STEINIG (Secretariat) explained the functions of the types of stock defined, and referred to the earlier definitions given in the Limitation Convention. "Ordinary" or "working" stock was the amount imported or produced in a country for its own normal consumption, and therefore disappeared as it was imported or produced: it did not constitute a "stock" in the true sense of the term.

Mr. CHODZKO (Poland) thought the definition of Government stock was more restrictive than the definition given in the 1931 Convention. Here it related only to the requirements of the armed forces: He suggested the definition be redrafted to conform with that of 1931.

Colonel SHARMAN (Canada) also thought the definition of Government stock was not broad enough. There were at least two other aspects of Government activity that should be allowed for. He would mention Government hospitals for sick and wounded pensioners of the last war, which would probably be used as a nucleus for the handling of civilian casualties in the next war: the present wording was much too tight.

Mr. STEINIG (Secretariat) explained that the definition given here was in accordance with the interpretation adopted by the Supervisory Body. The 1931 definition did, admittedly, include stocks "to meet exceptional circumstances such as epidemics. All stocks used for other than Governments, military, naval, or other purposes, were regarded as part of civil consumption. That applied even to Government-supported hospitals.

Mr. DELGORGE (Netherlands) agreed with Mr. Chodzko that the draft definition of Government stock appeared to conflict with that given in the Limitation Convention. The Supervisory Body's interpretation was not that intended by the Convention. It was sometimes extremely difficult for administrative purposes to differentiate military from other Government uses.

Colonel SHARMAN (Canada) observed that there was no provision in this definition for Government distribution of opium to the poor: that fact strengthened the case against the definition.

/Mr. STEINIG

Mr. STEINIG (Secretariat) pointed out that the Limitation Convention made it clear that reserve stocks covered all normal consumption and use, and in respect of such stock explanations and information could be asked for from Governments: but Government stock was exempted from that provision. Consequently, if Government stock were used for hospitals, it would escape all control, because the Supervisory Body would be unable to ask for information about its disposal. He did not think the Supervisory Body had restricted the definition given in the Convention.

Mr. CHODZKO (Poland) was reluctant to accept Mr. Steinig's explanation. In the present unsettled state of world affairs, States were rapidly increasing their armed forces, particularly their air forces. It was therefore only natural that normal Government stocks would prove inadequate and would have to be replenished from other sources. Was the Supervisory Body competent to ask Governments to render an account of increases in their armed forces necessitating such withdrawals from other stocks?

The CHAIRMAN remarked that the discussion showed a considerable diversity of opinion on this point. It would therefore be best to refer the whole question of definitions of stock to a sub-committee.

Agreed.

Section 15

Dr. de MYTTENAERE (Assessor) suggested the substitution of the phrase "degree of moisture" (degré d'humidité), for "degree of density".

The CHAIRMAN said this point would be brought to the notice of the Sub-Committee.

ELEVENTH MEETING

held on May 23rd, 1939, at 10.30 a.m.

CONVENTION FOR LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY
AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS USED IN
THE MANUFACTURE OF OPIUM ALKALOIDS.

CHAPTER II

Purpose for which raw opium may be produced.

Article 2.

Mr. RENBORG, Secretariat, pointed out that sub-paragraph 3 would make it impossible to obtain raw opium for non-medical uses in countries where consumption of such opium was not legal on the date on which the Convention was signed.

CHAPTER III.

Estimates.

Article 3.

Mr. RENBORG, Secretariat, explained that the phrase "so far as may be necessary" had been inserted in the second and fourth paragraphs so that, if the Supervisory Body found that certain countries or territories had not in the past imported raw opium it would not have to frame estimates for them.

Mr. DELGORGE (Netherlands) asked why estimates were to be sent to the Permanent Central Board and not direct to the Supervisory Body.

Mr. EKSTRAND, Director of the Opium Traffic Section, said that provision to that effect had been made in the 1931 Convention. It was doubtful, however, in the light of experience now acquired whether that provision had been a good one. It merely meant that the Permanent Central Board acted as a post office. The fact that there were three different opium bodies was confusing for Governments. The point had not been overlooked by the Secretariat when the present Articles were drafted; but it had been felt that any new provisions should be in conformity with the previous Convention.

/Colonel SHARMAN

Colonel SHARMAN (Canada) agreed with the first part of the Director's remarks. He failed to see why the Permanent Central Board should be allocated the part of a mere post office.

The CHAIRMAN said it appeared that the reason why the Permanent Central Board was mentioned in Article 3 was that it performed a precisely similar task in connexion with estimates which were already being furnished, and an alteration in the system might cause confusion. He proposed that the Committee should not take any decision in that connexion until it was able to view the picture as a whole.

The Committee noted the observations of members on the above point.

Article 4.

Colonel SHARMAN (Canada) said that Article 4 placed an important administrative task in the hands of the Permanent Central Board, which ought properly to be performed by the Supervisory Body, to which the estimates were ultimately submitted.

Mr. RENBORG, Secretariat, said that there was the closest collaboration between the Supervisory Body and the Permanent Central Board. In fact membership of those two bodies overlapped, and in the circumstances there was every possible chance of satisfactory co-ordination. He merely mentioned this fact for the information of the Committee, and was not expressing an opinion on behalf of the Secretariat as to the merits or demerits of Article 4.

Dr. CARRIERE (Switzerland) agreed with Mr. Renborg's remarks regarding the close collaboration which existed between the Supervisory Body and the Permanent Central Board. As a member of the Supervisory Body he could say that such collaboration was not practically perfect; but it had not been achieved without difficulty, and there was a danger that one day there might be a reversion to the former less satisfactory state of affairs. He would therefore prefer no change to be made in the procedure.

/Mr. RENBORG

Mr. RENBORG, Secretariat, recalled that the 1931 Convention stipulated that all statistical forms were to be decided on by the Board. When the Convention came into force, the Supervisory Body had made the proposals to the Central Board as to the form it required; and this was then drafted by the Permanent Central Board, which perhaps had more experience of statistical work. The forms were ultimately issued under the authority of the Central Board, and there had been complete harmony between the two organs.

Colonel SHARMAN (Canada) said that it would be a great convenience to the narcotic control authorities if they were able to correspond with a single body which dealt with the whole question.

Mr. RENBORG, Secretariat, said that the Secretariat would have no objection to replacing the Permanent Central Board by the Supervisory Body in Article 4.

Sir Malcolm DELEIVINGNE, Expert, suggested that a provision to the effect that the form should be drawn up in consultation between the two bodies would meet everybody's view and would represent the actual procedure followed.

Agreed.

Article 5.

Mr. RENBORG, Secretariat, said that sub-paragraphs (d) and (e) might have to be redrafted. Estimates would have to be submitted to the Supervisory Body by April 1st and would refer to the following year. When it came to the question of stocks to be held in the following year, it was impossible for Governments to say in April how much opium they would require to replenish emergency stocks in the following January. In the case of the 1931 Convention, the Supervisory Body had ultimately found it better to advise Governments not to include supplies for replenishing stocks in their original estimates, but in later supplementary estimates.

He suggested the point should be dealt with by the Sub-Committee.

Agreed.

/Colonel SHARMAN

Colonel SHARMAN (Canada) said that in Canada for every ton of raw opium required three or four years ago only a few hundred pounds were now imported; on the other hand, the demand for extracts had greatly increased. Under the proposed Convention the estimated imports of raw opium for Canada might be very small, but somewhere in the world enough opium would have to be grown to provide for Canadian imports of extracts. That point was not covered by the present draft.

Mr. RENBORG, Secretariat, explained that under the new Convention the Canadian Government would send an estimate for raw opium, but not for medicinal opium, because the raw opium required for manufacturing such medicinal opium would be purchased by other countries.

Canada should have no difficulty in obtaining supplies of medicinal opium, because the countries from which it was purchased would have sent estimates for the raw opium they required for manufacture, whether for internal consumption or for export.

It might, however, be necessary, to provide in the Convention for control of medicinal opium.

Colonel SHARMAN (Canada) asked how countries would meet fluctuations arising from a decrease in the demand for raw opium and an increase in the demand for extracts.

Mr. RENBORG, Secretariat, taking Canada and the United Kingdom as examples, said that in the ordinary way the United Kingdom would estimate the raw opium required for normal domestic consumption and exports. If suddenly faced with an increased demand from Canada for medicinal opium, the United Kingdom authorities would immediately send in a supplementary estimate for the raw opium required for its manufacture. If they could not obtain the raw opium sufficiently quickly, they would take it from their emergency stocks, making up those stocks again from the amounts for which they had sent supplementary estimates.

Colonel SHARMAN (Canada) said that under such a system Canada would only estimate for about one-tenth of the raw opium which had to be grown somewhere to meet its requirements.

/The CHAIRMAN

The CHAIRMAN said the matter was one for consideration by countries manufacturing medicinal opium for export.

Mr. RENBORG, Secretariat, said that the Secretariat was very grateful for the discussion which had taken place. It pointed to the necessity of furnishing estimates for medicinal opium.

The Committee took note of the above observations and decided to refer the matter to the Sub-Committee for further consideration.

Mr. RENBORG, Secretariat, said that sub-paragraph 1 (ii) dealt with re-export trade, of which the trade between the United Kingdom and Canada was a good example. Under the system outlined by the Secretariat, the country importing raw opium for re-export would show in its estimate the quantities to be imported for that purpose, the country or countries to which it would re-export the raw opium and the quantities to be re-exported to each. As already seen, the Government which purchased raw opium from a country other than a producing country, would have to estimate for such purchases.

Sub-paragraph 1 (iii) had been inserted to avoid a duplication of production.

Mr. ANSLINGER (United States of America) asked what would happen if the United States authorities, two years after estimates had been sent in, decided to buy 10,000 kg. on the London market because it was cheaper there.

Mr. RENBORG, Secretariat, said that under the new Convention estimates for one year would have to be submitted by April 1st of the preceding year. The authorities in the consuming countries would have to make up their minds where they were going to buy opium; but under the Convention there would be provision for producing countries to keep stocks in other countries and sell from those stocks.

The point raised by Mr. Anslinger indicated the importance of the regulation of prices in connexion with the application of the proposed Convention.

/The CHAIRMAN

The CHAIRMAN said that the existence of regulating stocks would make it possible for entrepot trade still to be carried on.

The discussion had perhaps shown that there should be greater elasticity with regard to the provisions of sub-paragraphs 1 (ii) and 1 (iii).

Sir Malcolm DELEIVINGNE, Expert, thought that the difficulty indicated by Mr. Anslinger deserved attention.

The Committee took note of the above observations and decided to refer the points raised to the Sub-Committee for further discussion.

Colonel SHARMAN (Canada) asked whether, if a country submitted estimates by the required date, and in its estimates designated a certain country as the source of supply, and the estimate was accepted, there would be in the provisions of the Convention any guarantee that the amounts ordered would be supplied.

Mr. RENBORG, Secretariat, said that such a guarantee was provided in Article 19.

Colonel SHARMAN (Canada) asked whether that meant that the supplying country was bound to furnish the supplies estimated under all circumstances.

Mr. RENBORG, Secretariat, said that was the case, subject to the provision that under the quota system the whole supply might not come from the country designated.

If events occurred which interrupted international trade, consuming countries would then have to draw supplies from emergency stocks. Under the new Convention, as under that of 1931, certain countries might find it necessary to build up considerable emergency stocks. There was an article governing the constitution of such stocks.

Mr. MIHAILOVITCH (Yugoslavia) stressed the importance of the question of a minimum price. That question had been raised on previous occasions by Yugoslavia and Turkey. If it were dealt with satisfactorily, there was no reason why consuming countries should not obtain all supplies available under /the quota.

the quota. The fixing of a minimum price would be of advantage to consuming countries in that it would ensure that producing countries did not form a cartel and refuse delivery on the grounds that prices were not sufficiently high.

Colonel SHARMAN (Canada) said he had in mind an actual case which had occurred. Certain conditions had arisen and consignments had not been allowed to be shipped. Was a consuming country which had fulfilled all the stipulated requirements to be left at the mercy of such conditions and unable to provide for thousands of sick persons?

The Committee took note of the above observations and decided to refer the matter to the Sub-Committee for further consideration.

Sub-paragraph 5 (ii).

Mr. RENBORG, Secretariat, did not know whether the Committee would think it necessary to keep sub-paragraph 5 (ii); but there was an interval of two or three months in which estimates would be in the hands of the Supervisory Body, which meant that in exceptional cases (errors of calculations, etc.) there would be the possibility of revising estimates before June 15th.

The CHAIRMAN said that it was desirable to have as great elasticity in such matters as possible.

Sir Malcolm DELEVINGNE, Expert, said that sub-paragraph 5 (ii) merely embodied the procedure followed in the case of drug estimates under the 1931 Convention. He saw no reason why it should not be included.

Colonel SHARMAN (Canada), referring to sub-paragraph 5 (i), asked whether April 1st was absolutely the last date on which estimates could be received. Narcotics Control officers already had considerable difficulties to cope with. In Canada, they were dealing with some 120 wholesalers scattered over a vast extent of territory. All the work for the League which required their personal attention had to be done at about the same time, and the adoption of April 1st as the limit would add to their difficulties. If that was the latest possible date, however, they would of course accept it.

/Mr. RENBORG

Mr. RENBORG, Secretariat, said that the date for furnishing estimates was determined by two main factors. First, there was the necessity of providing sufficient time for producing countries to arrange for sowing, which took place in September. A period of three months was required; therefore, they must have an idea of requirements by July 1st. Secondly, there was the necessity of allowing the Supervisory Body time to examine estimates and ask Governments for explanations. Here again three months was the minimum period required. That was why April 1st had been chosen as the final date for the receipt of estimates.

Colonel SHARMAN (Canada) said that the Narcotic Control Officers also required time for their work and if they had too much to see to at the same period, they might be unable to come to Geneva.

Mr. RENBORG, Secretariat, pointed out that the dates were determined in the last resort by nature.

Article 6.

Colonel SHARMAN (Canada) said that Article 6 provided a solution for the Narcotics Control officers.

Article 7.

Dr. CARRIERE (Switzerland) said that this article, which had already been discussed at great length, would probably raise some opposition from the consuming countries. He must make all due reservations with regard to its acceptance by his Government.

Colonel SHARMAN (Canada) agreed with Dr. Carriere. It was very unlikely that the Canadian Government would accept such an article unless there was a reciprocal undertaking by supplying countries.

Phya RAJAWANGSIN (Siam) made reservations similar to those of Dr. Carriere and Colonel Sharmen.

/Mr. MIHAILOVITCH

Mr. MIHAILOVITCH (Yugoslavia) thought that the reciprocal undertaking by supplying countries was to be found in their assumption of the obligation to diminish production and only produce the amounts estimated. As the Turkish representative had argued on the previous day, sacrifices should meet with some compensation. Producing countries must be assured that the quantities produced would in fact be purchased.

Dr. CARRIERE (Switzerland) said that he had not intended to reopen the discussion on Article 7, but merely to make a reservation with regard to the future attitude of his Government.

The CHAIRMAN reminded the Committee of the passage on page 17 in its previous year's Report to the Council which stated that:

"The Committee as a whole thought that this obligation for consuming countries was a necessary consequence of limitation of opium production to world requirements and saw no objection, in principle, to accepting such an obligation. It was considered that any difficulties in its application was a question of machinery.

"It was recognised that the binding character of the estimates introduced a new form of contractual obligation between producing and consuming countries which might appear to be complicated by the fact that it had necessarily to be assumed about two years in advance of its fulfilment. The requirements of countries which import their raw opium are, however, comparatively stable and sufficiently known to enable Governments to estimate the amounts which will be required, even two years ahead."

He did not think anything had happened since to make the Committee alter its opinion in the matter.

Mr. SADAK (Turkey) thanked the Chairman for reading the above passage, which was very important. He was very sorry to see that consuming countries were making reservations with regard to Article 7.

Phya RAJAWANGSAN (Siam) said that his observations had not concerned quantity but time. His Government had already made a statement with regard
/to binding

to binding estimates (document O.C.1751 (c), page 6) to the effect that:

"The Siamese Government has no objection to the principle that the Governments of countries importing raw opium should undertake the obligation that such quantities as have been estimated for in respect of a particular year should be taken over in that year. But as it has been found in the past that from time to time there have been considerable delays before purchases could be effected, arrangements should be made to secure prompt sale and delivery within a particular year."

Mr. EKSTRAND, Director of the Opium Traffic Section, understood that the sense of the Canadian and Swiss representatives' observations was that the assumption of certain obligations by consuming countries might be expected, provided that producing countries also assumed obligations. He would remind members that they were present as experts for the purpose of preparing the machinery of a Convention. The interventions which had been made that morning therefore in no way prejudiced the work of the Committee.

Colonel SHARMAN (Canada) said that the Canadian authorities had had long discussions with wholesalers since the previous year and were aware of various factors, such as the instability of estimates and a strong tendency to import extracts, which made them decide to take up no definite new position at the present time.

If the proposed Convention decided that countries had the right to select their sources of supply, it might be possible for some arrangement to be made whereby decreases in imports of raw opium could be compensated by imports of opium extracts.

Presumably producing countries and entrepot countries wished to sell their opium. Therefore, why should they not undertake to supply it?

The CHAIRMAN said that point had been borne in mind in connexion with Article 19.

Mr. RENBORG, Secretariat, said that the Secretariat had an amendment to make to Article 7, namely, the insertion after the words "Each High
/Contracting

Contracting Party" of the phrase "which imports its requirements of raw opium".

Mr. SADAK (Turkey) asked how a country which did not import its requirements of raw opium was to submit estimates.

Mr. RENBORG, Secretariat, pointed out that there were a number of countries (India, Iran, Yugoslavia) which did not import but had to estimate for their own internal requirements.

TWELFTH MEETING

held on 24 May 1939
at 10.30 a.m.

The CHAIRMAN introduced Mr. Lubbers of the Opium Regie, Batavia, Netherlands Indies, who was passing through Geneva and whom he thought the Committee would wish to invite to attend their meeting as a guest.

DRAFT OF THE PRINCIPAL ARTICLES WHICH MIGHT BE EMBODIED IN A CONVENTION FOR LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM AND CONTROL OVER RAW MATERIALS USED IN THE MANUFACTURE OF OPIUM AND ALKALOIDS. (document O.C./Confidential/50)

Chapter IV

A. Examination of estimates

Article 10

Colonel SHARMAN (Canada) referred to earlier criticism of the draft definition of "Government stock" as being too narrow, and thought the phrase used here, namely "requirements for Government purposes" much more satisfactory.

The CHAIRMAN observed that the three definitions of stocks had been referred to the Sub-Committee, to which this remark of Colonel Sharman's would also be communicated.

Article 11, Section 1

Mr. RENBORG (Secretariat) explained that this clause was inserted to enable producing countries to produce the amounts which had been supplied to meet the supplementary estimates in the previous year.

Sir Malcolm DELWINGNE pointed out that no provisions seemed to have been made for opium included in estimates framed by the Supervisory Body, as distinguished from opium in estimates examined by the Supervisory Body.

Mr. RENBORG (Secretariat) suggested that Sir Malcolm's point could be met, subject to the Sub-Committee's decision, by the insertion of a clause similar to that used in Article 18.

/On the

On the CHAIRMAN's proposal, it was agreed to refer this Article to the Sub-Committee, with special mention of the clause in Article 18.

Section 2

Mr. RENBORG (Secretariat) mentioned that this section was a natural corollary to the provision regarding supplementary estimates in section 1, and was inserted in order that the Supervisory Body should obtain returns of amounts exported to meet supplementary estimates.

B. Principles governing the allocation of raw opium required for export.

Article 12

Mr. RENBORG (Secretariat) wished to have the opinion of the Committee regarding the probable necessity of completing this article by a paragraph providing machinery for drawing up the annex and making arrangements for a Conference. This was one of the central articles of the Convention, and if the quota system were adopted it would be of the utmost importance. If there were no agreement between producing countries, the Convention would never be signed. In reply to a point raised by Colonel SHARMAN, he added that consideration of the time factor might necessitate exclusion of the annex from the Convention and the arrangement of a Conference when the Convention came, or was about to come, into force, because if the terms of an annex were decided and quotas allotted, and then some five or six years elapsed before the Convention was ratified, by that date the producing position of the respective countries might have changed completely, so that the terms of the annex would be obsolete.

Colonel SHARMAN (Canada) thought the question needed serious study. He could conceive at least half a dozen sets of circumstances which might invalidate the whole agreement.

The CHAIRMAN suggested, and it was agreed, that the article be referred to the Sub-Committee for consideration.

Article 13, Section 1

Mr. RENBORG (Secretariat) proposed the alteration of the phrase "for....years" to "for a period to be agreed between the Parties".

The CHAIRMAN observed that the provisions of the annex must be made flexible. This paragraph might therefore be submitted to the Sub-Committee for consideration in the light of Mr. Renborg's observations.

Agreed.

Section 2

Mr. RENBOEG (Secretariat) pointed out that this section as drafted left it open for countries not mentioned in the annex to claim a share in the export trade: such countries would naturally be countries producing in accordance with the Convention.

Section 3

Mr. MIHAILOVICH (Yugoslavia) asked whether the words "not referred to in the annex, but in whose territory or territories raw opium is produced under the provisions of this Convention" referred to producing countries which had not obtained a quota, or to countries which were not yet producers but might wish to become producers.

Mr. RENBORG (Secretariat) explained that this referred to producers under the Convention, as envisaged in article 34, on which the interpretation of this phrase depended.

Section 4, paragraph 2 of footnote

Mr. RENBORG (Secretariat) said the Secretariat in the footnote raised the question whether the principal consuming countries should not participate in these conferences, as they clearly had an interest in the percentages allotted to exporting countries.

/Sir Malcolm DELEVINGNE

Sir Malcolm DELEIVINGNE thought this proposal might raise a twofold difficulty. First of all, how was it to be ascertained which were the principal consuming countries and secondly how was a settlement to be reached in conference? He suggested as an alternative that the principal consuming countries be given the right to submit their views to the Conference.

Mr. RENBORG (Secretariat) said the opinion of the Secretariat was that the principal consuming countries might be ascertained from a consideration of the relative importance of import figures for the three previous years.

Dr. CARRIERE (Switzerland) failed to see what part consuming countries could play in such a conference with exporters. Their position would of course depend to some extent on whether the system eventually adopted were the free order or the quota system, but in neither case could their presence be of much value. He supported Sir Malcolm's proposal.

Colonel SHARMAN (Canada) also agreed with Sir Malcolm Delevingne. In his opinion this type of conference was one which consuming countries might well honour by their absence.

Mr. EKSTRAND, Director of the Opium Traffic and Social Questions Sections, suggested that in view of the discussion the second paragraph of the footnote should be erased.

This suggestion was supported by the Chairman and adopted.

Article 14

Mr. STEINIG (Secretariat) observed that the machinery proposed in his article seemed at first sight very complex. Its operation was, however, illustrated by a separate document prepared by the Secretariat which would be distributed shortly. He would therefore try to make it clear now in a very few words by taking an imaginary case. Say an exporting country was entitled to export 80 tons. If three consuming countries applied for imports from that country and their combined applications totalled exactly 80 tons, then no difficulty arose and the 80 tons would be allotted to them automatically. Say,
/however,

however, three countries A, B and C applied for a total of 60 or a total of 100 tons, then under article 14(b) they would, in the latter case, receive respectively only 40, 24 and 16 tons from that country, and the balance of 20 tons would be furnished by the country or countries wherein lay their second preferences. If their requirements still remained uncompleted, then the balance would be supplied by their third preference country, and so on. A similar calculation would be applied in the second instance mentioned.

Admittedly it might be inconvenient for a country to have to derive its supplies from several countries instead of from one only. The Supervisory Board would, however, do its utmost to simplify arrangements.

Mr. BOURGOIS (France) agreed that this apparently complicated system was actually quite straightforward in its mechanism -- like a calculating machine. Would it simplify matters if an international opium sales office were instituted on the lines of the already existing Turco-Yugoslav Bureau at Istanbul. He was not putting this forward as a definite proposal; but if by any chance it should prove feasible there was no doubt that it would be a most valuable innovation.

Mr. MIHAILOVITCH (Yugoslavia) pointed out that during last year's session the Secretariat had distributed a document (O.C./Conf./33) describing the working of the Turco-Yugoslav Sales Office.

Sir Malcolm DELEVINGNE (Supervisory Body) thought it would be very interesting if Mr. Bourgois would develop his idea. What would be the scope and functions of such a sales office? It was difficult to assess the value of the idea without knowing something more of the details of the scheme he had in mind.

Mr. BOURGOIS (France) promised to submit a note on the subject to the Committee. Whether the idea materialised or not it was desirable that the public should know that it had been put forward and discussed by the Committee.

/Mr. DELGORGE

Mr. DELGORGE (Netherlands) asked what would be the position when a special kind of opium was required, say raw opium for the manufacture of prepared opium.

Mr. RENBORG (Secretariat) referred to article 12, note 2. Under the quota system the preference scheme would apply. He understood that where monopolies were unable to obtain particular qualities of opium it was their practice to blend other qualities.

Colonel SHARMAN (Canada) supposed this difficulty would not arise under the free order system.

Mr. EKSTRAND, Director of the Opium Traffic and Social Questions Sections, thought exporting countries would endeavour to arrange their stocks to meet the main requirements of their customs.

Mr. RENBORG (Secretariat) observed that the number of customers for prepared opium was very limited and was in fact confined to Government monopolies between which there was close co-operation. They would doubtless therefore be able to avoid such difficulties by arrangements among themselves.

Sir Malcolm DELEVINGNE asked whether the estimate system proposed here would permit of the inclusion of a clause providing that monopoly countries should submit detailed statements of their requirements of the various qualities of opium. A summary of such statements would give the world figure for those requirements.

Mr. RENBORG (Secretariat) directed attention to article 5, section 3, part (1), and the footnote thereto. Sir Malcolm Delevingne's suggestion would raise no difficulty and would prove valuable.

Article 16

Mr. RENBORG (Secretariat) explained that this was the free order counterpart to article 14(c), which applied to the quota system.

THIRTEENTH MEETING

held on May 24th, 1939 at 3.30 p.m.

CONVENTION FOR LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY
AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS USED IN
THE MANUFACTURE OF OPIUM ALKALOIDS.

G. Allocation of production of raw opium.

Article 18.

Sir Malcolm DELEVINGNE (Expert) asked how sub-paragraph (c) would work
in connexion with Article 15.

Mr. RENBORG (Secretariat) said that, where a country exported on
supplementary estimates the amounts exported would be taken from stock. That
would render extra cultivation necessary in the following year. Sub-paragraph (c)
of Article 18 was intended to cover that necessity. Article 15 provided for the
deduction from the amount allotted for export to each producing country
of the amount already exported by that country on supplementary estimates
in the preceding year.

Article 19.

Colonel SHARMAN (Canada) was strongly of the opinion that the conclusion
of the Convention would be materially assisted if the obligation on purchasing
countries in Article 7 were made reciprocal. The obligation in Article 19 did not
go far enough, as there was no mention of entrepot countries.

The CHAIRMAN agreed that the point raised by Colonel Sharman was
important.

Mr. RENBORG (Secretariat) said that the Secretariat would study the
question with a view to submitting in the Sub-Committee a proposal which would
take into account the Canadian representative's observations.

If a free order system was adopted, it would probably be necessary to
provide obligations on producing countries to deliver the opium estimated for.

/Dr. CARRIERE

Dr. CARRIERE (Switzerland) thought that the percentage mentioned in Article 19 should be 12% as in the case of Article 5, but did not see how the suggested procedure could, in practice, be carried out. If opium contained a uniform morphine content, it might be feasible; but the content varied and was sometimes as high as 22%. How could the conversion to a uniform percentage be made?

Mr. STEINIG (Secretariat) said the question was delicate and complicated. The opium to which the Convention referred was, so to speak, fictitious. The Secretariat had in mind a system under which each consuming country would show in its estimates the morphine content of the opium it desired. The Supervisory Body would then have to reduce that to the common denominator of 12 per cent. Subsequently the Supervisory Body would allocate quotas showing the equivalent quantities of opium which producing countries could export. The whole work of calculation would be dealt with by the Supervisory Body.

Dr. CARRIERE (Switzerland) said that in general, when consuming countries bought opium, they accepted it in the form in which it was supplied, and subsequently paid for it according to the content it was found to possess after conversion.

Mr. STEINIG (Secretariat) said that the existing practice varied. Some importing countries, such as the United States, indicated the morphine content they desired in the opium they wished to purchase. Others did not stipulate the content beforehand but analyzed the opium after purchase and then paid in accordance with the content. It would be a great convenience if countries would stipulate the required content beforehand.

Dr. CARRIERE (Switzerland) asked how a country could undertake to furnish opium containing a certain content at some date in the future. He hoped the Secretariat would look into the matter.

Mr. PHOCAS (Greece) agreed with Dr. Carriere that it was very difficult for countries to know the content of the opium they would be able to supply.

/Colonel SHARMAN

Colonel SHARMAN suggested that, if the figure 12 per cent was fictitious, it would be much better to adopt 10 as the requisite percentage. That would involve less difficulty with regard to supply, and would be much more convenient for the purpose of the many calculations involved.

Mr. RENBORG (Secretariat) said it would be interesting for the Committee to hear the views of the producing countries on the point raised by Dr. Carriere. From the visits which Mr. Elstrand and he had paid to Yugoslavia and Turkey, he had the impression that producing countries tried to supply opium with the desired morphine content by a process of malaxation.

Mr. STEINIG (Secretariat) said that the point raised by Colonel SHARMAN was dealt with in great detail in document O.C.Conf.38.

Mr. SADAK (Turkey) said that he would have some observations to make on the matter in the Sub-Committee.

The CHAIRMAN said that the article would be referred to the Sub-Committee for consideration of the various points raised.

D. Statement showing allocation of production and export.

Article 20.

Sir Malcolm DELEVINGNE (Expert) said it appeared the new Convention was going to impose heavy duties on the Supervisory Body for which many meetings would be necessary.

The CHAIRMAN asked whether the Secretariat could say why the date August 1st had been chosen.

Mr. RENBORG (Secretariat) said that the Secretariat proposed that the Supervisory Body should meet to examine estimates, decide on allocations, and draw up the statement referred to in Article 20 in July, but did not think it would be necessary for the Supervisory Body to meet again in August.

Colonel SHARMAN (Canada) asked whether it would not be desirable to fix a definite ceiling below which the morphine content of opium for smoking should be kept.

/Mr. RENBORG

Mr. REINBORG (Secretariat) said the question was one of raw opium intended for government raw opium monopolies, for which the matter of content appeared to be of no importance. He did not think the contracts between the monopolies and producing countries even referred to the morphine content. Otherwise all consignments would have to be analyzed. If however the Committee thought there was a danger of such opium having too high a content, there might be a special provision in the Convention to deal with the matter.

Colonel SHARMAN (Canada) did not see why the necessity of analysis should be an insuperable obstacle; Article 19 contained a stipulation with regard to minimum morphine content. The Secretariat was perhaps not aware that opium had been seized with a content as high as 35 per cent.

Mr. ANSLINGER (United States of America) said the matter deserved careful consideration. In the case of one country, the opium sold for smoking had a morphine content of 6-8 per cent whereas that sold for industrial purposes contained 10-12 per cent.

The Committee decided to refer the points raised in connexion with Article 20 to the Sub-Committee.

Chapter V. Limitation and control of the production of opium.

Article 21.

Mr. SADAK (Turkey) asked whether Article 21 referred only to the sowing of poppies for the production of raw opium and not to the sowing of poppies for other purposes.

Mr. REINBORG (Secretariat) said that was the case. There was, however, another Article dealing with poppy cultivation for other purposes.

Dr. KARADJOFF (Bulgaria) understood that the intention was to decide the quantity of raw opium to be produced and not the actual size of the area under cultivation -- though that, of course, would be affected by the quantity of opium it was intended to produce.

Mr. REINBORG (Secretariat) said Dr. Karadjoff's view was correct.

/Article 22.

Article 22.

Mr. RENBORG (Secretariat) said this Article was intended to provide a check where it was found that the area authorized to be sown had over a term of years resulted in the production of raw opium substantially in excess of the amounts authorized to be produced.

Chapter VI.

Internal control of cultivation and production.

Article 23.

Colonel SHARMAN (Canada) thought producing countries might find some difficulty in accepting the provisions of Article 23, as it would require them to take a number of steps before the Convention came into force.

Sir Malcolm DELEIVINGNE (Expert) pointed out that there was a difference between the ratification of a Convention and the date on which it came into force. No obligation would be undertaken until the Convention was ratified; and a certain period would then elapse before the Convention came into force.

Dr. KARADJOFF (Bulgaria) said that it might be difficult, for financial reasons, for countries which only produce small quantities of opium to set up a whole monopoly organization.

Mr. RENBORG (Secretariat) said the question was one with regard to which the Committee would have to take up a position. Its view at the previous session had been that opium monopolies were an essential condition of control over production. Could the Bulgarian representative suggest how to make an exception in the case of small producing countries?

Mr. BOURGOIS (France) suggested that the difficulty might be met by simply stipulating for centralization in a body subject to official control of all transactions connected with the purchase and sale of opium.

Dr. KARADJOFF (Bulgaria) said that a description of the present organization in Bulgaria was given on page 9 of document O.C.1758. That system

/provided for

provided for control by the General Directorate of Public Health. In view of that control, the Bulgarian authorities thought it unnecessary to set up a monopoly. Experiments with monopolies for other products, such as tobacco and spirits, had proved unsuccessful and very costly.

Mr. RENBORG (Secretariat) referred to the statement on page 23 of the Advisory Committee's Report to the Council on the work of the previous year (C.221.M.123.1938.XI), to the effect that "the creation in each producing country of Complete State monopolies.... was advocated. No objection was raised in the Committee to this suggestion."

He suggested the matter should be examined by the Sub-Committee.

Mr. KARITCH (Yugoslavia) said that a new Yugoslav law of December 13th, 1938 introduced a complete monopoly. There were no more independent dealers in either the export or the internal trade.

Mr. SADAK (Turkey) said that obviously the proposals with regard to the establishment of a monopoly involved a large organization, which would entail heavy expense. That must be taken into account in dealing with the question of price.

Dr. KARADJOFF (Bulgaria) referred to the following passage on page 72 of the Minutes of the Twenty-third Session (document C.249.M.147.1938.XI): "International control would be virtually ineffective unless strict national control were instituted. That was how the Bulgarian representative interpreted the desire of certain countries that attention should be concentrated on national control; it did not, however, imply any intention of avoiding international control."

It was merely the word "Monopoly" which alarmed the Bulgarian authorities. They thought the existing organization should be sufficient.

Mr. EKSTRAND (Director of the Opium Traffic Section) was sure the Sub-Committee would find a solution which would satisfy the Bulgarian representative. Mr. Bourgois had already made a suggestion to avoid the word "Monopoly" and to make the extent of the organization dependent on the extent of production.

/When the

When the 1931 Convention came into force, some countries harboured similar fears with regard to the expense connected with the establishment of new organs; but those fears had proved to be unfounded.

The whole question was one for the Sub-Committee to deal with.

The CHAIRMAN said that the Committee agreed that full internal control was necessary. The form of such control was a matter for the Sub-Committee to decide.

Article 24.

Mr. MIHAILOVITCH (Yugoslavia) referring to sub-paragraph 1 of Article 24, said that the system existing in Yugoslavia was slightly different from that proposed. That difference should be taken into account when Article 24 was considered by the Sub-Committee.

The CHAIRMAN said the question would automatically arise in connexion with Article 23.

Colonel SHARMAN (Canada) referring to sub-paragraph 3 of Article 24, said that it was the almost universal experience that, whatever the system of official inspection, there must be adequate legislation with adequate penalties to deal with an unscrupulous minority who try to evade the rules. If such legislation and penalties existed, a smaller inspection staff would be required.

Mr. SADAK (Turkey) agreed with Colonel Sharman that there must be appropriate awards and penalties.

The CHAIRMAN said that such questions would all have to be dealt with when the final text of the whole Convention was drafted.

Mr. EKSTRAND (Director of the Opium Traffic Section) reminded members that the Secretariat had so far only been concerned to draft the main Articles of the proposed Convention.

FOURTEENTH MEETING

Held on May 25th, 1939, at 10.30 a.m.

DRAFT OF THE PRINCIPAL ARTICLES WHICH MIGHT BE EMBODIED IN A CONVENTION FOR LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS USED IN THE MANUFACTURE OF OPIUM ALKALOIDS (Doc. O. C./Confidential/50).

Chapter VIII, Regulating Stocks. Article 25.

The CHAIRMAN informed the Committee that Mr. Gaskell was present to assist them if called on.

Mr. STEINIG, Secretariat, gave a brief analysis of the system of "regulating stocks", the operation of which was fully explained in document O.C./Confidential/45. An important point to determine was the level at which initial regulating stocks should be fixed. After full consideration of the factors involved, the Secretariat thought that one and a half years' stock was probably the most satisfactory level to adopt. Provided the initial stocks were fixed at a sufficiently high rate, it was unlikely there would ever be any shortage, even in the event of crop failures during two or more years.

Dr. CHODZKO (Poland) asked what was meant by the phrase "shall be in addition to". Was it proposed that regulating, emergency and Government stocks should be merged into one whole? If so, how were they to be controlled by the Supervisory Body?

Mr. STEINIG, Secretariat, explained that a country would be free to keep either one aggregate stock or three separate stocks. It must, however, report separately on each to the Supervisory Body, and the Permanent Central Board.

Col. SHARMAN (Canada) observed that a country had to keep three separate stocks, a part of one of which (regulating stock) might be in one or more foreign countries: that would only add to control difficulties.

/Mr. STEINIG,

Mr. STEINIG, Secretariat, explained that a regulating stock must be kept and accounted for by each producing exporting country: any portion of it kept in a foreign country would be there in bond.

Col. SHARMAN (Canada) observed that this did not detract at all from the difficulty of control.

Mr. EKSTRAND, Director of the Opium Traffic and Social Questions Sections, agreed with Col. Sharman. Control of stocks in bond in a foreign country would have to be exercised by the country in question and not by the producing exporting country.

Col. SHARMAN (Canada) felt it was important that the simplest possible scheme should be adopted, though it might not necessarily be the most perfect. Small producing countries of the second class might be seriously embarrassed by the necessity of observing complicated arrangements of this kind. The scheme suggested would tax the administrative ability of the most experienced of them, and even then was perhaps not the best practically -- let alone its financial repercussions, as to which he might mention that, after the 1931 Convention had come into force, the salaries for the additional staff required to operate it in Canada represented one dollar for every ounce of morphine which entered the country.

The CHAIRMAN observed that a very similar system actually existed in his own country in connexion with the Government producing monopolies. Opium was sometimes held in vaults in London for Turkey, Yugoslavia or Iran, but it was accounted for by those countries. The United Kingdom was merely responsible for its safe custody.

Dr. CARRIERE (Switzerland) noted that the point would come up again for discussion under Article 30, Section 3.

/Mr. SADAK

Mr. SADAK (Turkey) was in entire agreement with Colonel Sharman's description of the difficulties with which small producing countries would be faced.

Dr. KARADJOFF (Bulgaria) asked what would be the juridical position in case of any irregularity, e.g. if opium in bond in a foreign country disappeared. Who would be responsible for the disappearance, and what jurisdiction would apply?

The CHAIRMAN was of opinion that, if any such theft took place in his country, the United Kingdom authorities would undoubtedly exercise jurisdiction.

Mr. MIHAILOVITCH (Yugoslavia) said he would illustrate the working of this system from his own country's experience. Consignment stocks held e.g. in London were part of Yugoslavia's regulating stocks, and raised no difficulty for the Supervisory Body. The Turco-Yugoslav Government's Central Office would be glad to give the Committee the results of its six years' experience.

Colonel SHARMAN (Canada) asked whether, if the Yugoslav Government had forty tons of opium in London, its control over that opium was absolute. Could it meet orders from this stock anywhere and at any time?

The CHAIRMAN thought Colonel Sharman had one particular situation in mind, namely, a state of emergency. Even in that event, no restriction would, he thought, be placed by the United Kingdom Government on movements of Yugoslav stocks, unless the two countries were actually at war with each other -- in which case emergency regulations would of course be issued.

Mr. DELGORGE (Netherlands) presumed Mr. Mihailovitch would agree that the position as between Yugoslavia and the United Kingdom would not necessarily apply universally.

Dr. CARRIERE (Switzerland) observed that it would apply in Switzerland.

/Sir Malcolm DELEIVINGNE

Sir Malcolm DELEVINGNE pointed out that the position described was in accordance with Article 16 of the 1925 Convention.

Article 26.

Mr. MIHAILOVITCH (Yugoslavia) observed that the proposed arrangement under which producing countries would have to apply in the event of a deficiency for permission to sow fresh areas with opium raised considerable practical difficulties. It would be better to have a large initial regulating stock under full governmental control. On this point, he would like the opinion of the Supervisory Body.

Sir Malcolm DELEVINGNE could not speak for his colleagues on the Supervisory Body; but he shared Mr. Mihailovitch's opinion that some degree of elasticity should be allowed when fixing the initial regulating stocks in the first instance.

Colonel SHARMAN (Canada) referred to the provision in Article 36 that only Chapters I to VI of the Convention were to come into force on January 1st, while Chapter VIII was not to come into force until the second January 1st, i.e. twelve months later. Since regulating stocks were already in existence, should not this chapter, or at least this Article, be included in the first category, and come into force on the first January 1st?

Mr. EKSTRAND, Director of the Opium Traffic and Social Questions Sections, remarked that this was an important point which called for further consideration.

Mr. RENBORG (Secretariat) pointed out that one reason for including Chapter VIII in the second category of Chapters in Article 36 was that one of the criteria for establishing initial regulating stocks would not be operative until the Convention came into force and estimates had been supplied. He referred to Article 9 of the 1931 Convention.

/Colonel SHARMAN

Colonel SHARMAN (Canada) observed that there might be convincing, but not necessarily overwhelming, reasons against the inclusion of this Article in the first category: there were always difficulties in the first year of application of any Convention. Excess stocks were a serious problem. In their report to the Council last year on the preparatory work for the Conference, it was stated that "estimated stocks held in the producing countries reached in 1936 the alarming total of about 3,500 tons" (Document C.221, page 11). In his opinion, it was preferable not to wait until the second year.

CHAPTER IX.

EMERGENCY STOCKS

Article 27.

Mr. RENBORG, Secretariat, mentioned that it had been agreed last year that, where there was control of opium stocks in producing countries, there should be corresponding control of stocks in consuming countries. Article 27 had been inserted to provide for such control.

Colonel SHARMAN (Canada) asked for explanation of Section 4. All stocks were to be "under Government control". What was the particular significance of the phrase in this context?

Mr. RENBORG, Secretariat, explained that emergency stock were of great importance under any system of limitation; and, now that many States had greatly increased their stocks, it was essential to keep control of these large quantities of raw opium. The wording of this section had been deliberately chosen in order not to make it obligatory for stocks to be the absolute property of Governments; such a condition might be extremely onerous. All such stocks must, however, be under strict Government control and at its immediate disposal.

Colonel SHARMAN (Canada) thought that explanation exactly fitted the case he had in mind. If a country only imported opium for drug manufacture, the problem was quite simple: it could maintain complete physical control. But if a country also imported manufactured drugs, then Government control was
/impossible,

impossible, because the question of deterioration arose. The solution adopted in Canada, which conformed to that provided for in the draft was to ensure that larger stocks, including Government emergency stocks, were kept in the vaults of wholesalers. This was an effective and safe system, and eliminated the danger of loss through deterioration.

The CHAIRMAN pointed out that the important distinction was between control and possession. The Convention provided for control without, of course, excluding possession.

Mr. PHOCAS (Greece) thought Government control of raw opium was not enough: Governments should have absolute possession. The case was different from that of manufactured drugs, because to control the trade in an article was practically impossible. The system of absolute ownership was desirable in itself and, as operated in Greece, had given the fullest satisfaction.

Mr. RENBORG, Secretariat, said that Article 27 was a minimum provision. Governments must institute control. Governments which so wished could take over absolute possession.

CHAPTER X

CONTROL OF INTERNATIONAL TRADE IN RAW OPIUM

Article 28

Colonel SHARMAN (Canada) put the hypothetical case of a producing country of the second class entering the export trade and appointing a Director of State Opium Administration. It would be quite impossible for the latter to understand the precise implications of this Article.

Mr. RENBORG, Secretariat, explained that practically all countries were signatories to the Geneva Convention of 1925, and would thus be familiar with its terms. No difficulty of interpretation should arise in their case. The purpose of the Article was to force countries which were not Parties to that Convention to apply Chapter V of the Geneva Convention of 1925. Perhaps the drafting might be reconsidered by the Sub-Committee.

/The Committee

The Committee should note that one of the contradictions referred to was that this Convention would invalidate Article 18 of the Geneva Convention.

Colonel SHARMAN (Canada) thought the least the Advisory Committee could do would be to circulate to all countries at the time of the Convention's entering into force a document setting out all these contradictions, in order to facilitate administrative work.

Dr. de MYTENAERE, Assessor, supported Colonel SHARMAN. Any contradiction should be clearly indicated and not left unstated.

Dr. CARRIERE (Switzerland) also agreed with Colonel Sharmen. Chapter V of the 1925 Convention should be examined to see whether it was, or was not, in contradiction with the present Convention, and to what extent. The clearest guidance should be afforded.

Mr. FULLER (United States) proposed the embodiment in the Convention of the provisions of Chapter V of the Geneva Convention: the latter was quite short and related mainly to import and export certificates.

Colonel SHARMAN (Canada) agreed that this would be most useful, but thought Dr. Carriere's point should also be given consideration.

Mr. DELGORGE (Netherlands) drew attention to the word "substances" in line 2. What were these substances? Did they include poppy straw? As this Article stood, it meant that under the Convention raw opium could be exported merely by issuing a certificate, whereas its export was now prohibited in the Netherlands Indies.

Mr. EKSTRAND, Director of the Opium Traffic and Social Questions Sections, acknowledged that this was a most important point. It would be fully considered by the Secretariat.

/Sir Malcolm DELEIVINGNE

Sir Malcolm DELVINGNE, Expert, asked whether the provisions of Chapter V of the Geneva Convention did not already apply to raw opium. If that was so, did it not cast doubt on the point to state here that they "shall apply"? He agreed with Colonel Sharman that the question was purely one of form.

Mr. RENBORG, Secretariat, reminded the Committee that the Article had been inserted with reference to countries which were not parties to the 1925 Convention.

FIFTEENTH MEETING

held on May 25th, 1939, at 3.30 p.m.

CONVENTION FOR LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND
THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS USED IN THE
MANUFACTURE OF OPIUM ALKALOIDS

CHAPTER X

Control of international trade in raw opium (continued)

Article 29

Mr. ANSLINGER (United States of America) objected to the form in which Articles 28 and 29 were drafted. It was essential that they should be in a more regular legal form in order that their meaning should be quite clear. As they stood they were dangerous, and would certainly excite much comment and objection from the legal experts in the members' countries.

Mr. RENBORG (Secretariat) said that Article 29 had been drafted with a view to ensuring that there would be sufficient control over any opium warehoused in any country; but the present draft was not intended to be a legal text. If, however, members thought it would raise difficulties for them in their own countries, he saw no objection to omitting it at the present stage and leaving the judicial aspect to be dealt with by legal experts at the Conference itself.

Colonel SHARMAN (Canada) said that surely Mr. Renborg was not suggesting that the wording of the Convention in proper legal language was not to be studied in the various countries before the Conference met. Many members of the Committee were administrative officers, and realised the great difference between everyday language and the legal phraseology required in the legislative texts on which they had to work. The present drafting of Article 19 was definitely bad.

Mr. ANSLINGER (United States of America) said he had not the slightest wish to criticise; he appreciated all the thought and work that had been put into the document before them. His suggestion was merely intended to be constructive and was made with a view to avoiding interminable discussion.

/Sir Malcolm DELEIVINGNE

Sir Malcolm DELEVINGNE (Expert) suggested that it would be useful for the Committee to look at Articles 15 and 16 of the 1925 Convention.

Mr. REINBORG (Secretariat) explained that, when he said it might not perhaps be necessary to put Article 29 into legal form at the present stage, he was referring only to that particular provision which stipulated that, when opium was to be put into a bonded warehouse, it should be put into one which was under State control.

Dr. CARRIERE (Switzerland) said that, if the question was merely one of giving Article 29 a positive form, the matter should easily be settled by a slight change in the drafting.

Colonel SHARMAN (Canada) said that in a previous year the Committee had arrived at certain principles, expressed in everyday language. At present the Committee was considering a draft of articles for inclusion in a convention. If there had been no legal drafting of those articles, they could not be considered for inclusion in a convention.

He suggested that, when the Sub-Committee set to work with a view to taking into account the various changes in principle which had been suggested in the Committee, that would be a good opportunity for legal form to be given to the drafts of the various articles. Unless that was done, members would merely come back to Geneva the following year with volumes of commentaries from their legal experts.

Mr. NIND (India) thought that it was only in the case of Articles 28 and 29 that any very serious point had been raised in connexion with drafting; and it did not appear to be necessary for the Sub-Committee to proceed to a new drafting of the document before them in order to give it legal phrasing.

As regards Article 29, he had himself been distinctly puzzled. He had been a Customs officer most of his life, but was unaware of a distinction between a "bonded warehouse" and a "Customs bonded warehouse".

Mr. CHAPMAN (Secretariat) said that the term "bonded warehouse" was usually associated with a "Customs bonded warehouse"; but there might also be an "excise bonded warehouse" under a different administrative authority.

The CHAIRMAN proposed that both articles should be referred to the Sub-Committee, The latter would have legal assistance when dealing with them.

Colonel SHARMAN (Canada) said that, lest lack of comment be taken to denote approval, he hoped the Sub-Committee would find a better phrase than "under the State lock".

The Committee decided to refer Articles 28 and 29 to the Sub-Committee.

Article 30

Mr. RENBORG (Secretariat) explained that paragraph 2 was intended to facilitate the obtention of raw opium by consuming countries in the early part of the year.

The CHAIRMAN suggested that the sense of paragraph 3 would be clearer if the words "and in as far as" were inserted in the fifth line after the word "until".

Agreed.

CHAPTER XI

Prepared Opium

Article 32

Mr. RENBORG (Secretariat) said that in the English text the words "or for sale for consumption in the form of prepared opium" had been accidentally omitted from paragraph 1 and should be inserted in the fourth line after the word "opium".

Colonel SHARMAN (Canada) said that there was one serious omission from Article 32. No reference was made to monopolies which imported prepared opium.

/The CHAIRMAN

The CHAIRMAN asked whether Colonel Sharman was thinking of the prepared opium supplied from the factory in Singapore to three other British territories, including Hong Kong. It had been decided in agreement with the Parties to the Geneva Agreement that such consignments should not be regarded as exports of prepared opium.

Colonel SHARMAN (Canada) understood that the Hong Kong Monopoly was under no obligation to stop buying all the prepared opium it wanted.

The CHAIRMAN thought the point raised by Colonel Sharman was indirectly covered by Article 1 for the reason that, if imports of raw opium were limited, exports of prepared opium were ultimately bound to cease.

Colonel SHARMAN (Canada) said that would be an extremely indirect method of control, and it would depend on the length of time for which stocks of prepared opium lasted.

Mr. RENBORG (Secretariat) referred the representative of Canada to paragraph 4 of Article 32, which dealt with the question of stocks.

Colonel SHARMAN (Canada) said that Synoptical Table XI, footnote (c), showed that Hong Kong had been obtaining prepared opium from Singapore since 1933. It was surely only common sense that an extra clause should be included in Article 32 to cover the one type of Monopoly which had been left out.

Dr. HOO Chi-tsai (China) supported what Colonel Sharman had said. It would be easy to fill the gap in Article 32 by adding after the word "undertake" in paragraph 1 the words "not to import prepared opium and". There was another reason for including those words. Paragraph 3 also contained a gap. It merely referred to the quantities of prepared opium sold within the territory or territories of the High Contracting Parties. What was required was a prohibition of importation.

/Mr. RENBORG

Mr. RENBORG (Secretariat) drew the attention of the Committee to Article 7 of the Hague Convention of 1912 and Article 6 of the Geneva Opium Agreement, both of which referred to prepared opium. The suggestion to include prepared opium in the present Article would have to be very carefully studied in connexion with existing agreements.

The CHAIRMAN said that the intention of the Chapter and Article under discussion was that the use of prepared opium for smoking should ultimately be brought to an end completely. There was never any intention of making exceptions. If, therefore, it was found that there was an omission, it must be remedied.

He proposed to refer Article 32 to the Sub-Committee for further consideration of the point in question.

Colonel SHARMAN (Canada) said that the Committee had to decide on questions of principle by which the Sub-Committee would be guided. There was a definite omission in the case of Article 32. If the importation of prepared opium was not controlled, countries which had undertaken not to import raw opium could switch over and import any amount of prepared opium.

Mr. DELGORGE (Netherlands) read the following statement: "With reference to Chapter XI of the draft Convention, I may be allowed to point out once more the attitude of my Government towards the prohibition of the use of prepared opium in the Netherlands Indies. As has already often been stated, my Government is of the opinion that the present way of selling prepared opium under the strict rules of the Government monopoly is the best way to restrict the use of prepared opium as much possible in existing circumstances. Total prohibition would, in the opinion of my Government, far from putting an end to the consumption of opium for smoking, give rise to an increase in that consumption because it would not be possible to suppress the habit of opium smoking in reality on account of the illicit traffic. The illicit traffickers would gain ground as the result of such prohibition. Smokers can now buy their opium at the Government's retail shops, where nobody encourages them to buy more than they want and where, on the contrary, they are subject to strict rules in regard to the quantities they are allowed to buy and to possess. If the monopoly

/were abolished

were abolished they would be obliged to buy from illicit traffickers, who might encourage them to buy more and more and give them all facilities in regard to obtaining the opium and paying for it.

"That is why my Government in its answer on page 3 of document O.C.1751(c) declares that it is impossible for them to agree now to the acceptance of any obligation which demands total prohibition on a fixed date. They have, under present conditions, no certainty at all that the future Convention will reach its goal and if, unfortunately, it does not, my Government would be committed to an obligation the execution of which they deem detrimental to the real interests of the population.

"As you know, the monopoly countries are already under an obligation to suppress the habit of opium smoking within a period of fifteen years as soon as the illicit traffic has ceased to form an obstacle to such prohibition. Therefore, if the draft Convention has the result which we all expect, this obligation will automatically come into force.

"We realise, however, that many others want a definite obligation for the monopoly countries in this Convention, and I trust that my Government will not be opposed to such an obligation provided that it be drafted in a much more lenient form than in the proposed Article 32.

"The decrease year by year by an equal amount is practically not possible. The High Contracting Parties must have more freedom as to the way in which they deem it possible to curtail the sales of prepared opium."

Phya RAJAWANGSAH (Siam) said that it was equally impossible for the Siamese Government to envisage a fixed date on which opium smoking would be abolished in Siam. The views of the Siamese Government were expressed in the memorandum on pages 4 and 5 of document O.C.1751(c).

(He then read the first four paragraphs of the above memorandum to the Committee.)

Mr. EKSTRAND (Director of the Opium Traffic Section) was sure that the declarations of principle which had just been made like similar previous declarations, need not be regarded as in any way constituting an obstacle to the work of the Committee as a body of experts working out the mechanism of a Convention.

/Dr. HOO Chi-tsai

Dr. HOO CHI-tsal (China) agreed with Mr. Ekstrand. He would not therefore reply there and then to the declarations which had been made, but would confine his remarks to the text before the Committee.

He was very glad that fixed dates were to be mentioned in paragraphs 1, 2 and 4 of Article 32. In paragraph 3, however, no fixed date was given: there was merely an undertaking to decrease quantities "progressively". Such a term was very elastic. The Hague Convention had contained the words "as soon as possible"; but, although it had been signed in 1912, they still remained a dead letter.

He proposed that there should be provisions to the effect both that a certain fixed percentage would be reduced annually, and that at the end of a certain number of years there would be complete abolition.

Mr. REINBORG (Secretariat) assured the Committee that the Secretariat in drafting their Article had in view that sales of prepared opium should cease simultaneously with the cessation of imports of raw opium for the manufacture of prepared opium. He suggested a drafting change to make that clear, viz. to substitute the word "annually" for the word "progressively", and to add a sentence specifying a definite date when sales of prepared opium must cease altogether. This would be the same date as that mentioned in paragraphs 1 and 2 of the article.

The Committee decided to refer Article 32 to the Sub-Committee for consideration of the points raised.

(Discussion of the portion of Chapter XII dealing with the regulation of prices of raw opium was postponed to the following meeting.)

VARIOUS ARTICLES

Article 33

Mr. ANSLINGER (United States of America) objected to the present drafting of Article 33. It seemed to mean that, if (say) the Netherlands or the United States did not sign the proposed Convention because they objected to Article 32, they would be excluded from the trade in raw opium.

/Mr. SADAK

Mr. SADAK (Turkey) said that there was another aspect of Article 32 which was still more important, namely, the sanctional aspect. An attempt was being made to bind consumers not to buy from States which were non-parties to the Convention. There could be no obligations without sanctions. Nothing should be done to favour States which had not assumed obligations.

Mr. ANSLINGER (United States of America) thought Article 33 did not say what it was intended to mean.

Mr. RENBORG (Secretariat) referred the Committee to the following passage on page 24 of its previous year's report to the Council on the preparatory work (C.221.M.123.1938.XI):

"(4) Obligation not to import or export Raw Opium from or to non-parties to the Convention.

"The representative of Turkey proposed that the Convention should provide for an obligation on parties not to purchase raw opium from a producing country which remained outside it. Several members of the Committee expressed themselves in favour of such an obligation, and no objections were raised. It was agreed that this proposal required further study, but that it would no doubt contribute to securing the limitation of opium production to recognised world requirements. Its logical consequence would be an obligation on the parties not to supply raw opium to countries which did not ratify or apply the Convention."

Mr. ANSLINGER (United States of America) thought Article 33 should be referred to the Sub-Committee for redrafting.

Mr. DELGORGE (Netherlands) regretted that no objection had been made to the obligation embodied in Article 33. Such an obligation would be dangerous in any case and would not work well. If enough countries acceded to the Convention, the latter would function satisfactorily and a sanctions clause would not be necessary. If, on the other hand, only a few countries acceded to the Convention, a sanctions clause would not help. A sanctions clause was always a dangerous thing, and would be particularly dangerous in the present case.

/Mr. SADAK

Mr. SADAK (Turkey) said that the article in question had been proposed by delegates in the previous year to facilitate the coming into force of the Convention. He agreed with the Netherlands representative, that, if the Convention was accepted by all, a sanctions clause would be useless. If, however, certain countries stayed out, a sanction was necessary.

Mr. BOURGOIS (France) said the question, though perhaps delicate, was very important. A distinction must be made between importation and exportation. An undertaking by the contracting parties not to import from non-parties to the Convention was not the same as a boycott. Estimates would be sent in to the Supervisory Body, and under the quota system the Supervisory Body would allocate production amongst parties to the Convention.

Mr. KARADJOFF (Bulgaria) said he understood Article 33 as imposing an obligation on all Contracting Parties to trade only between themselves. He therefore saw nothing wrong with the drafting. Practical difficulties might, however, arise from the application of such an article. Demand from Contracting Parties might exceed the amount available from producing countries which were parties. To meet such an eventuality, there should be a provision to allow producing countries parties to the Convention to produce sufficient quantities within a certain time to meet the orders received. If provision was made for regulating stocks to be kept at a higher level, consuming countries could be supplied from those stocks for a certain period-- say two years-- until the producing countries were authorised to produce more. Unless there was some such provision, it would be much more advantageous for countries to remain outside the Convention.

Sir Malcolm DELEVIGNE (Expert) pointed out that the part of Article 33 which prohibited exportation of raw opium to territories belonging to non-parties was inconsistent with earlier provisions, in particular Article 3, paragraph 3, which provided for the establishment of estimates for all countries.

SIXTEENTH MEETING

held on Thursday, May 26th, 1939,

at 10.30 a.m.

DRAFT OF THE PRINCIPAL ARTICLES WHICH MIGHT BE EMBODIED IN A CONVENTION FOR LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS USED IN THE MANUFACTURE OF OPIUM ALKALOIDS (Document O.C./Confidential/50)

Article 33 (continued)

Mr. ANSLINGER (United States of America) felt that in view of what Sir Malcolm Delevingne had said on the previous day this Article seemed unnecessary. If it were retained it ought to be amended to read as follows: "The High Contracting Parties undertake not to import raw opium from producing countries not Parties to the Convention."

Mr. PHOCAS (Greece) agreed with Mr. Delgorge that there might occur cases of force majeure in which a State was unable to obtain its opium requirements from Parties to the Convention. Should not an exception be made in such cases and the States permitted to import from non-Parties, subject to the consent of the Supervisory Body?

Mr. RENBORG, Secretariat, observed that the Article required reflection and careful study in all its consequences. It would be best to refer it to the Sub-Committee.

Mr. HOO Chi-Tsai (China) thought this was a most important Article, and that not merely under its aspect as a sanction: he could not conceive of the Convention without it. Article 3, Section 3, provided for the framing of estimates by the Supervisory Body for countries which were not Parties to the Convention: what did the Supervisory Body do with those estimates? There was no further reference to them.

/Mr. KARITCH

Mr. KARITCH (Yugoslavia) said that the Yugoslav Government insisted on the retention of this Article or of an Article of this character: it could not accept the Convention otherwise.

Mr. NIND (India) considered the Article redundant.

Dr. CARRIERE (Switzerland) could only give his personal opinion, but felt his Government would probably be prepared to accept this Article in so far as it concerned imports: he would be glad to give his private opinion on the subject of exports to the Sub-Committee.

Mr. BOURGOIS (France) thought that all were agreed on the subject of imports. The real difficulty arose from the fact that non-signatory purchasers would be able to import both from signatory and from non-signatory producers. That was an inequality which militated against producers who were Parties to the Convention.

Colonel SHARMAN (Canada) observed that the Article had a variety of implications. He had failed to find any solution to the following problem: If Country A decided not to sign the Convention but still wished to import fifty tons of opium a year, it would try to obtain that opium in the world's markets and would eventually be compelled to purchase from a non-Signatory country, but estimates would already have been made for that country by the Supervisory Body and an amount of say fifty tons allotted to it. The estimate would thus be duplicated.

Mr. BOURGOIS (France) felt that what Colonel Sharman's point amounted to was, in simple terms, that the mechanism of the Convention could work only so long as the great producing countries were parties to the Convention.

Mr. RENBORG, Secretariat, agreed with Mr. Bourgois regarding Colonel Sharman's contention. It was an underlying assumption that all the main producing countries would sign the Convention. Article 3, Section 3, was intended to assist small countries with small requirements, who might find it unnecessary to sign the Convention.

/Dr. CARRIERE

Dr. CARRIERE (Switzerland) failed to see how the Convention could work without a clause of this kind. Suppose one or two producing countries did not for some reason or other sign the Convention, at least right at the start. Consuming countries ought then to be compelled to buy only from producing countries which were Parties to the Convention, as those countries would otherwise be penalised.

Mr. SADAK (Turkey) noted that all members seemed to accept the principle contained in the Article, but not all were prepared to accept the form in which it was expressed. He suggested its reference to the Sub-Committee.

This proposal was supported by the Chairman and adopted.

Article 34.

Mr. RENBORG, Secretariat, referred to Item (2), New Opium-Producing Countries, on page 24 of last year's Report (document C.221). With regard to the one exception permitted, the condition, "if any High Contracting Party cannot obtain by import its requirements", would be a matter for discussion between the Supervisory Body and the Government concerned.

Colonel SHARMAN (Canada) suggested the insertion before "produced" in line 2 of the word "lawfully". In Canada, for instance, cases of illicit opium growing were sometimes discovered, though opium-growing was absolutely prohibited.

Mr. SADAK (Turkey) felt that the Articles now under consideration were the most important ones of the Convention from the point of view of principle. This was a limitation convention. How then could it logically compel some producers to reduce their production and yet allow others to increase theirs? Temporary experimental growing was a dangerous innovation. He could see no justification for the second part of the Article, and proposed its deletion.

/Mr. RENBORG

Mr. RENBORG, Secretariat, explained that this exception was intended to cover cases of force majeure. The clause had been framed with the support of Governments as expressed in their observations. It was not a matter which should cause producing countries any great anxiety.

Mr. KARITCH (Yugoslavia) supported Mr. Sadak. He failed to see the validity of Mr. Renborg's arguments and thought the stocks allowed by the Convention should be sufficient for all eventualities.

Mr. HOO Chi-Tsai (China) felt some uneasiness at the second part of the Article. What was the meaning of the last line? Did it refer to Article 32? If the Article were interpreted literally, it might permit countries which had not hitherto produced opium to start producing raw opium for the manufacture of prepared opium.

Dr. KARADJOFF (Bulgaria) agreed with Mr. Sadak. He referred to his speech last year which would be found on page 72 of the Minutes of the Twenty-third Session (document C.249).

Mr. RENBORG, Secretariat, referred Mr. Hoo to Article 2, Section 2. There would be no possibility of the manufacture of prepared opium after the expiry of the period provided in Article 32.

Dr. HOO Chi-Tsai (China) felt that if all countries observed the spirit as well as the letter of conventions all would be well. Mr. Renborg's explanation would, however, apply only if and when a definite date were fixed for the cessation of the manufacture of prepared opium.

Mr. SADAK (Turkey) asked if Mr. Renborg could quote any specific instance of force majeure.

Mr. RENBORG, Secretariat, replied that, apart from war, there was the case of blockade. In such an event Sweden, for example, might be effectively prevented from obtaining opium from any Mediterranean country.

/Mr. SADAK

Mr. SADAK (Turkey) observed that force majeure therefore implied either war or blockade. In the event of war, no country would sacrifice its vital interests for the sake of conventions. In the event of a blockade, stocks within a country should be sufficient to meet such an emergency.

Mr. CARNOY (Belgium) remarked that war and force majeure knew no law. The case cited by Mr. Renborg was purely hypothetical; no actual instance of a blockade had been put forward. Improvised cultivation was hardly a practical proposition. Was there any undisclosed motive behind this proposal?

Mr. RENBORG, Secretariat, replying to Mr. Carnoy, read the following extract from the Norwegian Government's observations on document C. L.192.1938.XI:

"The Norwegian Ministry of Agriculture states that poppies are not grown in our country except for decorative purposes. There is, however, nothing to prevent the profitable cultivation of the poppy, at all events in certain parts of the country... In an emergency, it might be considered advisable to start growing poppies with a view to obtaining sufficient morphine to cover national requirements" (document O.C.1751 (d)).

He noted that no member of the Committee had as yet expressed himself in favour of this exception, and therefore supposed it might be decided to delete it.

Mr. EKSTRAND, Director of the Opium Traffic and Social Questions Sections, thought that might be the best solution, at any rate for the time being. It should not be imagined, however, that some Governments would not raise objections at the Conference.

Dr. HOO Chi-Tsai (China) would accept Article 34 as it stood, with the addition at the end of the phrase: "For the manufacture of drugs for its medical and scientific needs".

Dr. CARRIERE (Switzerland) accepted Dr. Hoo Chi-Tsai's proposal. Cases of force majeure were so rare that he could not see that producing countries ran any risk. The proviso was a valuable safety-valve, without which certain countries might be reluctant to accept the Convention.

Mr. RENBORG

Mr. RENBORG, Secretariat, proposed to facilitate acceptance of the Article, the insertion after "cannot", in line 6, of the phrase "as a result of force majeure".

Mr. ENIEZAM (Iran) agreed with the Turkish and Yugoslav representatives. All cases of force majeure could be provided for in advance by the exercise of foresight.

Mr. EKSTRAND, Director of the Opium Traffic and Social Questions Sections, observed that the exceptional clause was not in conflict with the humanitarian aims of the Convention. Why did producing countries oppose it? Doubtless because of the fear of losing markets. The risk, however, was infinitesimal. It was dangerous to insist on a hundred per cent or nothing: all might be lost by attempting too much.

Mr. SADAK (Turkey) remained unconvinced. The producing countries were called on to accept much heavier obligations than non-producing countries.

Sir Malcolm DELEVINGNE pointed out that the first part of the Article presupposed that the Convention was operating normally. This was a point which should be made clear by the draftsman. In the event of a general war as envisaged by the proviso, the whole mechanism of the Convention would cease to function: why not therefore omit the proviso?

Referring to another aspect of the matter, he would strongly deprecate placing upon the Supervisory Body any duties for which it was not competent. That was an additional reason for omitting the proviso.

Mr. EKSTRAND, Director of the Opium Traffic and Social Questions Sections, thought Sir Malcolm Delevingne's proposal might prove to be the best solution.

Colonel SHARMAN (Canada) entirely agreed with Sir Malcolm Delevingne. The underlying assumption was that the Convention was working normally. He favoured deletion of the second part of the Article.

/The CHAIRMAN

The CHAIRMAN observed that the consensus of opinion was that the first part of the Article should be redrafted and that the second part should be deleted.

Agreed.

Article 35.

The CHAIRMAN ruled that discussion of this Article in so far as it affected the poppy plant should be postponed.

Mr. REMBORG, Secretariat, referred to the section on page 23 of the report to the Council (document C.221), headed "Destruction of Seized Opium and Drugs". This Article had been inserted in order to provoke a discussion of this important subject.

Mr. NIND (India) wished to raise one point. It was obvious that if seizures were not destroyed the balance of the scheme would be upset; but in the case of, say, opium stolen within a country from the Government monopoly, would it be incumbent on that Government to destroy its own product? He suggested that it should be made clear that "illicit traffic" referred to illicit traffic outside the producing country.

Sir Thomas RUSSELL, Vice-Chairman, suggested that in such a case the opium was not yet in the illicit traffic.

Dr. HOO Chi-Tsai (China) proposed the word "confiscated" instead of "seized" as a solution of the difficulty.

Mr. RAJAWANGSAN (Siam) declared that Siam was not prepared to destroy seized opium. He read the following passage from the Siamese Government's observations on document C.L.192.1938.XI:

/"Opium

"Opium seized in Siam is now, if of suitable quality, used in the manufacture of Monopoly prepared opium. In view of the large quantities seized and of the great expense incurred in bribes and rewards in securing it, Siam would not be prepared to destroy these seizures, but would desire to continue using them as at present" (document O.C.1751 (c)).

Colonel SHARMAN (Canada) agreed entirely with the Vice-Chairman's interpretation of illicit traffic. As regards the destruction of seizures, he did not think countries could divorce this question from their general drugs policy. In Canada, all drugs seized were destroyed.

Mr. DELGORGE (Netherlands) asked whether it would be possible to add a provision excluding from destruction all opium of licit origin? That would meet Mr. Nind's point as well.

Sir Thomas RUSSELL, Vice-Chairman, defined the procedure followed in Egypt with regard to opium seizures.

Mr. FULLER (United States of America) pointed out that there were two different categories of opium involved. The first was opium legally grown within the limits of the Convention. Its destruction would cut down the quantities available for medical and scientific needs. The second was opium illegally grown in excess of the limits fixed by the Supervisory Board. The use of such opium should be discouraged. He personally had always strongly advocated destruction, but this Article needed an additional proviso to read as follows:

"Unless such raw opium (or poppy plant) originated in a producing country Party to the present Convention, in which case the amount seized shall be deducted from the quantity allocated to that country by the Supervisory Body for production in the following year."

Dr. HOO Chi-Tsai (China) observed that Mr. Fuller's interesting suggestion might have the effect of penalizing the producing country. For instance, if country A seized opium originating in country B, it might happen that that opium had actually be consigned to country C. What happened in such a case?

/Dr. KARADJOFF

Dr. KARADJOFF (Bulgaria) drew attention to the Bulgarian Government's proposal on this point in document O.C.1751 (d).

Mr. BENBORG, Secretariat, thought that the possibility of adopting Mr. Fuller's suggestion would depend on the possibility of establishing with certainty the origin of seized opium. Was this sufficiently conclusive to amount to legal certainty? Reports of seizures illustrated the difficulty of accurate determination of origin.

Colonel SHARMAN (Canada) found Mr. Fuller's suggestion interesting, but was unable to see how it could be put into effect. How was origin to be determined? The seizing country might be convinced that the opium came from country A, but might deny that flatly. Cases in point had actually occurred.

The CHAIRMAN acknowledged the great difficulty of determining origin with absolute certainty, but suggested a draft Article be prepared incorporating Mr. Fuller's suggestion for further discussion.

Sir Thomas RUSSELL, Vice-Chairman, mentioned that, in his previous year's report, details were given of 54 cases of opium seizures: in 15 cases the origin of the opium was known, and in the remaining 39 unknown.

Mr. FULLER (United States of America) mentioned that in the United States very little difficulty had been experienced in determining origin. The methods employed were not limited to chemical analysis.

Colonel SHARMAN (Canada) agreed entirely with Mr. Fuller. The difficulty was one not of identification but of administration. How was a producing country to be persuaded that seized opium originated in that country and should be deducted from its estimates?

Mr. PHOCAS (Greece), thought that all opium seized in the illicit traffic should be destroyed, as in Greece, the only permissible exception being the case of stolen opium, which should be restored to its owner.

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SEVENTEENTH MEETING

held on May 26th, 1939, at 3.30 p.m.

CONVENTION FOR LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY
AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS USED IN THE
MANUFACTURE OF OPIUM ALKALOIDS (Continued)

Article 36.

Mr. RENBORG, Secretariat, said that the draft of Article 36 was an attempt to show under what conditions the proposed Convention would come into force. As in the case of the 1931 Convention, there would be two stages. The full Convention could not come into force until all measures had been taken to provide for the regulation of cultivation.

The blank at the end of paragraph 1 had been left for the insertion of the names of a number of producing and consuming countries.

Colonel SHARMAN (Canada) said that in connexion with a previous article he had made an observation which had a bearing on Article 36. He presumed that previous observations would be taken into consideration.

The CHAIRMAN said that previous observations had been noted at the time and would be taken into account by the Sub-Committee.

Colonel SHARMAN (Canada) said that in connexion with Article 34 (3) he had proposed that provision should be made for adequate penalties, and the Turkish delegate had agreed with his proposal. The Secretariat had said that general articles might be provided for that purpose. It would be much more satisfactory, however, if provision for such penalties were made in Article 34 (3) itself.

The CHAIRMAN said that note had been taken of Colonel Sharman's suggestions.

ARTICLES CONCERNING CONTROL OF POPPY PLANT AND OF OPIUM POPPY CULTIVATED
FOR OTHER PURPOSES THAN THE PRODUCTION OF RAW OPIUM (O.C./Confidential/46(b)).

The CHAIRMAN said that the note on page 1 set out the position as it had been left in the previous year after various opinions had been expressed by members. The pages which followed represented a draft prepared by the Secretariat to give effect to those opinions.

Mr. RENBORG, Secretariat, said that when proceeding to consider articles concerning the poppy plant the Secretariat had been in a difficult position. A number of very varied suggestions had been made in the previous year and all the Secretariat could do was to submit various articles which took those suggestions into account.

The document did not deal with the importation and exportation of poppy plant, as that matter had not been discussed in the previous year. That question would, however, have to be examined.

The CHAIRMAN said that the document provided three alternatives: total prohibition, or one or two forms of limitation. The Committee must first decide what form of control it was going to recommend, and then examine the articles necessary for its application.

Dr. BALLENEGGER (Hungary) made the following statement:

Before analysing the articles in document 46 (b), I should like to inform you of the principles by which the Hungarian Government will be guided in its attitude towards the rules to be drawn up for limiting and controlling poppy straw used for the extraction of opium alkaloids.

These principles are formulated in the Hungarian Government's reply to circular letter C.L.192.1938.XI, which is reproduced in document O.C.1751 (b) and which, if you will allow me, I will now read to you.

(Dr. Ballenegger here read the Hungarian Government's reply, contained in document O.C.1751 (b)).

I will now deal with the alternative provisions included in document O.C.46(b).

First of all there is the question of the total prohibition of the extraction process. The Hungarian Government takes the view that it is impossible
/to prohibit

to prohibit a country from making use of its raw materials for the manufacture of a vitally important substance of which it has need and the supplies of which might be cut off in the event of war. Moreover, the extraction process marks a definite improvement from the point of view of the control of manufacture, since the basic product used is a harmless substance, and all the intermediate products are of an offensive nature and cannot be directly used as narcotics. Manufacture must be carried to the finish in order to obtain a drug. The entire quantity of drugs produced is brought under control.

The question of limiting the use of the process of direct extraction to countries which already utilize that process, to which Article B of the draft refers, should be considered from the same angle as the question of total prohibition. It will obviously be to the interest of States which do not produce raw opium to reserve the right to produce in their own countries from a home-grown raw material the drugs essential to the sick and wounded, of which they might be deprived by a war.

Article C of the future draft convention provides for the limitation of the process of direct extraction to the quantity of drugs required for internal needs only. This article should be considered in relation to the 1931 Limitation Convention, Article 6, paragraph 1 (c) of which grants each country the right to manufacture such quantity of any drug as may be required for the execution, during the year, of orders for export in accordance with the provisions of the Convention. Moreover, the Hungarian Government considers it impossible to prevent an agricultural country from placing a product of its agricultural industry on the lawful international market.

These two considerations have induced the Hungarian Government to make the declaration of principle that no limitations of the use of the direct process for the extraction of alkaloids are admissible other than those already provided for under the 1925 and 1931 Conventions.

As regards the question of controlling the trade in poppy straw, the Hungarian Government is prepared to agree to the general regulation of the limitation of the import and export of the poppy plant within the framework of an international convention.

The question of internal trade in poppy straw in Hungary assumes the following aspect:

Since 1933 Hungary has produced morphine from poppy straw by a process of direct extraction. The factory obtains the straw direct from the growers; there is therefore no intermediate trade in the straw. The quantity which is not
/purchased

purchased by the factory is left on the hands of the agriculturists, and the only use they can make of this bulky, perishable substance is to turn it into manure.

Purchases made by the chemical works are limited by the quantity of morphine they are entitled to produce under the articles of the Limitation Convention. It is not to the works' interest to purchase a larger quantity, and if they do so they cannot make use of it, since the quantity of morphine they are authorized to produce is strictly limited by that Convention.

The works have no difficulty in obtaining the necessary raw material, because the amount of straw obtained from the poppy plant, which is cultivated in all parts of the territory for food purposes, is greatly in excess of the amount needed for the manufacture of alkaloids. A certain quantity of straw is therefore left on the agriculturists' hands each year, and as this is of a perishable nature it is not kept for the following year.

Thus the alkaloid industry can easily obtain the raw material it needs. In Hungary the manufacture of opium alkaloids is limited not by the area sown with poppy but by the articles of the Limitation Convention. If, therefore, the obligation laid down in the articles of Chapter III (document O.C.50) in respect of estimates of the quantities of raw opium required by the various States during the year following this declaration is necessary in order to limit the production of this substance, this does not apply to the straw, the use of which is restricted by the quantity of morphine which the country is entitled to manufacture under the articles of the Limitation Convention. The straw produced in excess of this quantity cannot be used for illicit manufacture in the countries in which the articles of the 1925 and 1931 Conventions are in force. The special nature of the raw material and of the extraction process makes supervision extremely easy.

For these reasons it seems to me that the insertion among the articles of Chapter III of Document O.C.50 (page 10, Article 8) of an article on estimates concerning the poppy plant cultivated for purposes other than the production of opium can in no way serve the purpose of the proposed convention, which is to limit the production of raw opium to the amount needed for medical and scientific requirements.

If this is so, the future convention should, I think, contain, as regards the trade in poppy straw, only one article confining purchases from growers to persons authorized by the Government to manufacture or deal in narcotic drugs.

* As soon.

As soon as the poppy straw comes into the possession of such persons, it is brought under the restriction imposed by the 1925 and 1931 Conventions (Article 22, Geneva Convention, Articles 16 and 17, Limitation Convention).

In the Hungarian Government's opinion, these Articles are sufficient to ensure effective control over the trade in poppy straw. In any case, this is the only form of control which Hungary can accept.

In other countries the question of the control of the trade in poppy straw may assume other aspects and call for the adoption of other measures. But the question of the establishment of such measures, which are not universally applicable, should be left to the discretion of each country.

The problem of controlling the trade in poppy straw with a view to preventing the abuses committed with narcotic drugs would thus be satisfactorily solved.

I have now come to the end of my observations on the draft articles suggested by the Secretariat in document 46(b), but there is just one more remark I should like to make.

We have met, as the heading of the document states, for the purpose of discussing a draft convention for limiting and controlling the cultivation of the opium poppy and the production of raw opium and controlling other raw materials used in the manufacture of opium alkaloids. But there is only one other substance which can be used in the manufacture of opium alkaloids, and that is poppy straw.

Poppy straw is a substance which has only one property in common with opium -- namely, that it can serve as a raw material for the manufacture of opium alkaloids by a process of chemical extraction. In all other respects this substance is so different from opium that I venture to raise the question whether there is any advantage to be gained from including rules for controlling the trade in this raw material used for the manufacture of opium alkaloids in the draft concerning the limitation and control of poppy cultivation for the production of raw opium.

Would it not be more practical to draw up two separate conventions, one for limiting and controlling poppy cultivation for the production of opium and controlling raw opium, and the other for regulating the trade in poppy straw? The Secretariat realizes, I think, the difficulty of including rules concerning two separate questions in the same convention, and that is why the draft

/convention

convention has been dealt with in two different documents which have practically nothing in common.

If the question of the trade in poppy straw were separated from the question of limiting the production of raw opium, this would eliminate certain difficulties which might considerably delay the achievement of the aims of the draft convention now under consideration.

Dr. CHODZKO (Poland) said that the question under discussion had been considered at length in the previous year, and the Committee were aware of the Polish Government's view, which was contained in document O.C.1751(f). The suggestions put forward in document O.C./Confidential/46(b) were not based on the real position in Europe, nor on any practical experience which would justify the proposed measures. He was unable to accept, on behalf of his Government, the principle embodied in the articles before them, (although there were certain passages in the document which the Committee might discuss).

Mr. ERKAN (Turkey) said that the Turkish Government was obliged to ask for the prohibition of the production of morphine by extraction from the poppy plant. As the Turkish delegation had pointed out in the previous year, the producing countries, which were being asked to limit one of their most important forms of national produce, could not agree to allow the place left free by their sacrifices to be filled by other methods and processes. Extraction was a method which enabled production to be constantly increased. At a time when an attempt was being made to limit production, such a method was entirely contrary to the spirit of the opium Conventions.

It would be impossible to do as the Hungarian delegate had suggested and separate the two questions, as producing countries would not consent to any limitation of poppy cultivation for the production of opium unless the trade in poppy straw were also subject to limitation.

Dr. KARITCH (Yugoslavia) supported the Turkish delegate's observations. The Yugoslav Government also asked for prohibition of extraction from poppy straw; the reasons for the request had already been given at the twenty-third session, and were stated in document O.C.1751(g).

Dr. CHODZKO (Poland) said that producing countries were apparently of the opinion, not merely that production of morphine by extraction from

/poppy

poppy straw should be limited, but that it should be forbidden altogether. The majority of members at the previous year's meeting were definitely not in favour of such prohibition. The draft now submitted by the Secretariat was not altogether in conformity with the previous year's decisions, though he would not raise an objection to it on that account.

He failed to see the motives underlying the suggestions made. Producing countries appeared to have the idea that the production of morphine from poppy straw would be harmful to their interests. But the figures given in document O.C. Confidential 18(3) (page 5) showed that in 1933 in Yugoslavia the area cultivated was 4,251 hectares, in 1934 5,842 hectares, and in 1935 7,042 hectares, while the production of raw opium in those years had been 26,000 kg., 65,000 kg. and 75,000 kg. respectively. The figures for Turkey (page 4) were 20,168 hectares under cultivation in 1934, 25,417 hectares in 1935, and 37,080 hectares in 1936, and the production of raw opium for those years was 148,000 kg., 279,874 kg., and 426,000 kg. respectively. It would thus appear that the small amount of extraction from poppy straw which had taken place in Poland did not interfere with the production of raw opium in those countries.

It was important to remember that in the present state of international affairs it was essential for Poland to have reserve supplies of morphine. With regard to the question of exportation, the amount of morphine placed by Poland on the world market in 1937 had been only 12 kg. The reply from the Yugoslav Government given in document O.C.1751(g) stated that the proportion of morphine contained in poppy straw varied between 2 and 7 per 1,000. That would mean that if the manufacture of morphine from poppy straw in Poland were to be increased to a point where it became a threat to other producers, half the country would have to be sown with poppies.

In view of the above facts, he could not understand the fears of the producing countries.

He was not aware of any illicit traffic in morphine in Poland, and objected to the statement in the Yugoslav reply to the effect that control over the extraction of morphine from poppy heads and straw was less effective than the supervision exercised over the production of that alkaloid from raw opium.

Dr. KARITCH (Yugoslavia) said that the Yugoslav authorities were in favour of prohibition, not because of the effect of extraction of morphine from

/poppy

poppy straw in Poland and Hungary on production in Yugoslavia, but because of the principle involved, and with a view to the future. It was possible that the manufacture of morphine from poppy straw might get into the wrong hands. There had of course never been any intention of questioning the good faith of the Hungarian or Polish Governments in the matter.

Mr. EMBERICOS-COUMOUNDOUROS (Greece) said that his Government had reserved its opinion on this subject, but, speaking merely as a member of the Committee, he thought the points of view expressed might be reconciled on the following lines: that the use of morphine from poppy straw be limited to countries using it already, and that production from poppy straw be limited to quantities used for the manufacture of drugs to meet those countries' own requirements.

He understood that the Polish point of view was largely based on the fear of war. The constitution of State stocks might be a solution.

Dr. CHODZKO (Poland) thanked the Greek delegate for his suggestions. The latter had, however, not touched on the question of principle. Certain delegates had asked that there be definite prohibition of cultivation of the opium poppy in Poland. The Greek delegate had suggested that there should be no exportation of morphine produced from poppy straw. The fundamental question, however, was one not of exportation but of production.

He thanked the Yugoslav delegate for the explanation he had given, but, as the statement in question only affected Hungary and Poland, they must be allowed to interpret it in their own way. He was therefore afraid he could not be satisfied with the explanation.

Dr. KARITCH (Yugoslavia) said that the statement contained in the Yugoslav Government's reply was only intended to be a general observation, and not to refer to any particular case.

Mr. SADAK (Turkey) wished to make it clear to the Polish delegate that the Turkish authorities had never thought that there was any illicit traffic in morphine in Hungary or Poland.

/The Polish

The Polish Member had referred to the danger of war. When such danger existed, of course, all restrictions were apt to become a dead letter. If Members merely considered present abnormal conditions, it would be impossible ever to conclude the Convention. They were, however, attempting to elaborate it with a view to its application in the peaceful conditions for which all hoped.

The figures given in document O.C. Confidential 18(3) from which Dr. Chodzko had quoted did not quite bear out his observations. They showed, for instance, that in 1931 the area under cultivation in Turkey (page 8) was 54,500 hectares, while in 1937 it was only 25,242 hectares. Production in those years had been 489,000 kg. and 269,656 kg. respectively. Although the amounts of morphine obtained from poppy straw in Poland were not large, if production continued at a progressively increasing rate it would ultimately constitute a threat to opium-producing countries. The question was one of principle, and of great importance to opium-producing countries because, if the principle were acknowledged in respect of one country, other countries might in future adopt the same policy.

Dr. CHODZKO (Poland) said that the reductions in Yugoslav and Turkish production were due to the economic crisis and to ^{the} restrictions which the authorities had applied.

Mr. SADAK (Turkey) said that was correct. The figures he had chosen were intended to show the difference between certain years, and also that Turkey had made great sacrifices in the way of reducing production.

Dr. KARITCH (Yugoslavia) said that, like Mr. Sadak, he had not intended to convey the impression that production in Yugoslavia or Turkey had been reduced as the result of the introduction of the new system in Poland and Hungary. The Yugoslav authorities were thinking of the future, and of the principle involved.

Mr. CARNOY (Belgium) said that on the one hand there were countries producing opium from the opium poppy; that was accepted as a fact. Existing conventions merely regulated the degree of their production. On the other hand, Hungary and Poland produced morphine from poppy straw by a special method.

/That

That fact could also be accepted; and the new Convention could regulate the degree of such production in those two countries.

In the case of other countries, production could be either forbidden altogether or only allowed subject to certain conditions.

Mr. KARADJOFF (Bulgaria) said that his Government's proposal was given in document O.C.1751(d).

(Mr. Karadjoff read the relevant passage of the above document.)

The Polish delegate had assured the Committee that the intention of the Polish Government was not to produce beyond its own needs. The reason why the Yugoslav and Turkish Governments had expressed fears was that they had in mind the Polish Government's reply, in which it had objected to the prohibition of exports. In view of Dr. Chodzko's assurances, however, a solution could be found along the lines suggested by the Greek and Belgian representatives.

Dr. CHODZKO (Poland) said that he had not given the assurances referred to by the Bulgarian delegate, nor could he do so, as that would be contrary to his Government's instructions. War was a possibility which Poland was forced to take into consideration. There were other smaller neighbouring countries which might also be threatened. Should an emergency occur, the Baltic might be cut off from supplies urgently needed for medical purposes. Poland was entitled to supply such countries with narcotic drugs under the Conventions of 1925 and 1931, the provisions of which it scrupulously observed.

EIGHTEENTH MEETING

Held on May 27th, 1939 at 10.30 a.m.

Articles concerning the control of poppy plant and of opium poppy cultivated for other purposes than the production of raw opium (Document O.C./Confidential/46(b))
(continued)

Mr. SADAK (Turkey) observed that the Chairman had frequently reminded them that they were there as experts and not as representatives of Governments. It was, however, difficult for them not to remember that they did in some respects represent their countries' point of view. The delegates of Belgium and Hungary had spoken as representatives of their Governments. Some of them had definite instructions from their Governments on this subject from which they could not depart. The previous day he himself had spoken on behalf of his Government. Since there was no immediate possibility of agreement, it was unnecessary to prolong the discussion. The best course was to indicate in their report the two conflicting points of view which had been expressed.

Dr. CHODZKO (Poland) thought Mr. Sadak's proposal entirely justified and supported it, as did also Dr. BALLENEGGER (Hungary) and Mr. KARIC (Yugoslavia), the latter stating that he had very clear instructions from his Government beyond which he could not go.

The CHAIRMAN proposed in the circumstances to include a paragraph in the report indicating the divergence of opinions. The subject would then be left in suspense -- i.e. there would be no draft articles relating to the poppy plant.

Agreed.

Regulation of prices of raw opium intended for export (document O.C./Confidential (51)).

Mr. BERKIN (Turkey) read the following statement:

"At last year's meetings points of view of members of the Committee varied greatly. There was even opposition in some quarters to the examination of any plan for regulating raw opium prices in connection with the new Convention.

/"This

"This year the position is no longer the same. The observations of Governments on the Committee's report for last year have shown that the problem of the regulation of opium prices has already aroused great interest. Consuming and producing countries both wish the problem of prices to be considered with all necessary care -- which is very understandable in view of the fact that it is a matter of establishing a kind of world-wide directed economy in respect of opium.

"The Secretariat's note in the document before us gives the reasons why the problem must be solved. I have nothing to add to it.

"I merely wish to make an observation concerning the method for fixing prices provided for in the proposed article, under which it will be left to the producing-exporting countries and the principal consuming countries to fix prices at a conference to be held for the purpose.

"I would have nothing to say against the proposed arrangement if the principles which are to govern the fixing of prices, and consequently their revision, were taken into account in the Convention itself.

"The regulation of prices -- which is a very delicate problem - must be based on certain principles in conformity with the spirit of the Convention, and should be clearly defined and accepted beforehand by the Governments signing the Convention.

"Without such principles the system of regulation would depend on the attitude adopted by each Contracting Party as unilateral interests may dictate, which would seriously endanger the successful application of the Convention.

"The draft Convention provides interesting examples of other cases to which similar considerations apply. For the sake of brevity I shall only mention the case of the allocation of the production of raw opium. In the draft Convention great care is taken, and rightly so, with regard to the calculation of the amount to be allocated to each country, and the matter is not left to chance or allowed to depend on unforeseen circumstances or subsequent measures of the interested parties.

"The matter is of course merely one of the general body of principles in relation to which each special case has to be considered.

"The position is in my opinion exactly similar as regards the regulation of prices.

"In view of the above considerations I would ask the Secretariat to redraft the article in question in such a way as to bring out:

1. The constitutive factors which are to serve as a basis for the calculation of initial prices;
2. The circumstances in which requests for revision can be submitted for consideration, together with the provisions governing such revision."

Mr. BOURGOIS (France) fully agreed with Mr. Berkin. It was only right that producing countries should be acquainted with the principles on which prices were to be fixed and revised. The proper course was first to establish what those principles were, and then to put them into legal form in a series of articles.

Mr. RENBORG, Secretariat, observed that the remarks of the representative of Turkey and the Rapporteur afforded a basis for the drafting of articles on the subject. But the question was a very difficult one, in regard to which the Secretariat had not felt competent to take the initiative. The best thing to do in his opinion would be to refer the question, after discussion, to the Sub-Committee. The Secretariat could then proceed to draft articles.

Mr. SADAK (Turkey) agreed that the subject was a difficult one to discuss in full Committee. He accepted completely the principles as stated with perfect clearness in the document before them; but this complex question should be discussed in a very small Sub-Committee with the assistance of the Rapporteur.

Mr. BOURGOIS (France) entirely agreed; but a short preliminary discussion would be helpful to the Sub-Committee. The final drafting could be left to the Secretariat.

Col. SHARMAN (Canada) said there were one or two points which deserved consideration. All were agreed that the producer should get a fair price; but the consumer sometimes felt he was not getting equitable treatment. There was, for instance, the problem raised by tariff discrimination. As they all knew, the Ottawa preference system was in force in Canada and under this system morphine from one series of countries was entitled to free entry while morphine
/from other

from other countries was subject to a 25% tariff: yet the selling price in Canada was the same in both cases. For codeine the f.o.b. Montreal price from a country with a 25% tariff against it was actually lower than the price from a country with free entry. In such circumstances the consumer naturally wondered what was the manufacturer's profit.

Mr. RENBORG, Secretariat, explained the Secretariat's view of how a price-fixing conference of producers and consumers would work. Each side would state its conception of the fair price and then an attempt would be made to narrow the gap by agreement. If no agreement were reached, an arbitrator would be appointed, from whose decision there would be no appeal.

Col. SHARMAN (Canada) thought the question was not so much one of conciliation between initial producer and ultimate consumer as of discovering the reason for the enormous margin between the price paid for bulk opium to, say, a Turkish farmer, and the price paid by the patient. Was the amount paid to manufacturers justified?

Dr. CHODZKO (Poland) supported the Turkish representative's proposal of a small Sub-Committee. This question had been discussed at length the previous year and substantial agreement had been reached on certain points. They had been discussing a Convention based on a quota system. It was, however, possible that certain countries would not accept that system. What happened if, say, three exporters accepted it and two did not? The plan submitted to them provided for the appointment of an arbitrator. From what kind of country would he be chosen? Would it be a producing country, a consuming country or a manufacturing country? There were no other alternatives. Whichever it might be, his decisions would always be suspect and, what was worse, the League would be dragged into a quarrel over prices. He suggested the establishment of a limited free order system as mentioned in the 1931 Convention, somewhat on the lines of the Turco-Yugoslav Bureau. There should be one central office for the receipt and distribution of orders, none to be given to countries not parties to the Convention.

/Mr. BOURGOIS

Mr. BOURGOIS (France) mentioned that the previous year, after discussion with Sir Malcolm Delevingne, he had outlined a scheme for making the quota system more elastic. He had prepared a short paper explaining this scheme from which he read the following passage:

"Every system of limitation of cultivation necessarily involves the allocation:

1. to consuming countries of 'buying quotas', the total of which will be equal to world requirements;
2. to producing countries of 'production quotas', the total of which will be equal to the foregoing (so as to limit cultivation to world requirements).

"Theoretically and strictly it also involves the allocation to cultivating countries of 'sales quotas' equal to 'production quotas' in order to enable each to dispose of its production.

"It may, however, seem necessary to make more flexible the system under which 'sales quotas' are equal to 'production quotas', because this system would eliminate all competition in markets and prices.

"A more elastic formula would be to allow sales (for export) to exceed 'production quotas' by a certain percentage (25%, for example). This 'extra export' will then be charged against unanticipated 'extra production' or against 'regulating stocks'.

"This solution would enable a gradual transition to be made, according to the amount of the percentage of 'extra export', from the 'free order' system to the strict 'sales quota' system. Unrestricted extra export would coincide with the free order system pure and simple; 'nil' extra export would coincide with the strict quota system.

"A solution of this kind has a special interest in that it opens up a real prospect of success for the coming conference, because the discussion would then be limited to the amount to be assigned to this 'extra export' percentage."

Producers selling their extra exports cheaply would receive some small profit, while such sales could easily be adjusted to estimates. In actual fact something of the kind was already happening. In his opinion, there was no necessity for any price-fixing provisions in the Convention.

/Mr. EKSTRAND

Mr. EKSTRAND, Director of the Opium Traffic and Social Questions Sections, suggested that the Turkish proposal should be referred to the Sub-Committee: the latter could then set up a smaller Sub-Committee to consider it in detail.

Dr. CARRIERE (Switzerland) felt that the proposals put forward by Dr. Chodzko and M. Bourgois involved a conception which ought to be examined very thoroughly; it would be best to refer them to the Sub-Committee. It was probable that his Government would favour a free-order system. The interests of consuming countries should not be overlooked; the Sub-Committee ought to insert special clauses to safeguard them.

Mr. BOURGOIS (France) agreed that these proposals ought to be discussed in the Sub-Committee. With regard to the method of price-fixing under the quota system, he would suggest taking as the basic price the price in a normal year: this basic price to be adjusted from time to time according to the cost of living index-number in agricultural producing countries.

The CHAIRMAN proposed to refer the various proposals to the Sub-Committee.

The Sub-Committee to consist of the representatives of the United States of America, Bulgaria, China, Greece, Hungary, Iran, the Netherlands, Switzerland, Turkey, Yugoslavia and the Bureau ex-officio.

The Sub-Committee to have power to co-opt any other member for the consideration of particular points, and to split itself into Sub-Sub-Committees for particular purposes.

Agreed.

The CHAIRMAN added that he regretted Colonel Sharman's inability to sit on the Sub-Committee. Colonel Sharman's contributions to their discussions had always been of the utmost value.

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TWENTY-FIFTH MEETING

held on June 6th, 1939, at 3.30 p.m.

PREPARATORY WORK FOR A CONFERENCE TO CONSIDER THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS FOR THE MANUFACTURE OF OPIUM ALKALOIDS
(continued)

(Document O.C./Confidential/50(1)).

The CHAIRMAN recalled that a number of points in connexion with certain draft Articles had been referred to a sub-committee. The document now before the Committee embodied certain amendments adopted in the light of that sub-committee's discussions.

In addition, a sub-committee had been appointed to discuss the regulation of prices of raw opium in connexion with the future Convention. That sub-committee had met on the previous morning and heard a statement by the representative of Turkey, to which the representative of Yugoslavia had announced his complete agreement. That statement was being circulated to the Preparatory Committee. The sub-committee had also heard a statement by the Secretariat concerning the relation between prices of raw opium and prices of drugs.

The sub-committee had unanimously decided to make the following recommendations:

1. That the new Convention should contain provisions concerning the regulation of prices and provide a special Article or Articles containing the mechanism for that purpose.

2. That the Convention should also lay down the principles of price-fixing in application of the relevant provisions of the Convention.

It was proposed, subject to the agreement of the Preparatory Committee, to insert those decisions in the report and to ask the Secretariat to study the question with the assistance of experts from producing countries, in time for the next session.

Agreement thus having been reached on the principle guiding the regulation of prices in connexion with the new Convention, the details would be discussed at the next session of the Committee. The sub-committee also proposed that the statement by the representative of Turkey should be annexed to the Committee's report.

/Mr. SADAK

Mr. SADAK (Turkey) objected to the words "and controlling other raw materials used in the manufacture of opium alkaloids" in the title. Discussion of certain questions, including that of poppy straw, had been adjourned. The title should therefore be amended so as not to prejudge those questions.

Mr. BALLENEGGER (Hungary) agreed with the Turkish representative's observations. Poppy straw was the only other raw material of which discussion had been adjourned.

Mr. RENBORG (Secretariat) suggested that the title should remain unchanged for the time being, with a footnote to say that, as certain questions had been reserved, the title of the Convention would be decided later.

Agreed.

Chapter I, Article 1.

Definition 12.

Mr. RENBORG (Secretariat) said that the definition of "regulating stock" was now such as to cover also the stock of raw opium in countries which produced but did not export. The yield in such countries was just as varied as that in exporting countries, and regulating stocks were therefore required.

Definition 13.

Colonel SHARMAN (Canada) said that in the plenary discussion a number of members had expressed the opinion that the definition given was much too narrow. Why, then, had it not been changed?

Mr. RENBORG (Secretariat) said that the sub-committee had discussed the whole question of stocks at considerable length, had studied a document on the subject prepared by the Secretariat, had heard a statement by the latter on the subject, and had finally concluded that the present definition should be maintained.

Dr. CHODZKO (Poland) said that his country was not immediately concerned in the matter as it possessed no State stocks of opium. He thought, however, that to have two different definitions of Government stocks (i.e. one in the case of drugs and one in the case of raw opium) would lead to confusion.

/He suggested

He suggested that the words "Government stock" be changed to "Government stock of raw opium" in order to make it quite clear to which type of stock the term applied.

Colonel SHARMAN (Canada) said that Dr. Chodzko's amendment would avoid confusion, but did not dispose of the difficulty of the narrowness of interpretation. Since 1931 conditions had changed, and some Governments were obliged to keep reserve stocks for emergency purposes, e.g. for the treatment of civilian casualties in air-raids.

Sir Malcolm DELEIVINGNE said that he had been impressed by the same difficulty as Colonel Sharman, but on considering the Convention as a whole had been satisfied that it would meet the needs of Governments. The definition in the 1931 Convention covered the quantities required for Government purposes and those required to meet exceptional circumstances. Quantities to meet exceptional circumstances were covered separately in the present draft by the provision for the constitution of emergency stocks, which brought such stocks into the general system of control.

Colonel SHARMAN (Canada) said that under the 1931 Convention Government stocks had been regarded as stocks in the hands of Governments; emergency stocks, however, were not necessarily actually in the hands of Governments.

Mr. REMBORG (Secretariat) proposed the addition at the end of Definition 13, of the words "and for defence purposes".

Accepted.

Chapter III, Article 3(3).

Colonel SHARMAN (Canada) wished to know the exact meaning of the words "so far as may be necessary". Suppose the controlling authority framed an estimate for a non-signatory consuming country and on the basis of that estimate told a producing country, say Yugoslavia, that it could produce a certain quantity. What would happen if the consuming country in question decided to obtain its opium from some country other than Yugoslavia?

/Mr. REMBORG

Mr. RENBORG (Secretariat) said that it was the intention that the Convention should be ratified by the majority of the main importing and exporting countries. Otherwise, it would not come into force. Statistics had shown that the number of such countries was not very large.

Dr. HOO Chi-tsai (China) said he presumed that the estimates mentioned in Article 3(3) were those referring to the amounts of raw opium required by the countries in question and not estimates of quantities produced by them. The decision with regard to Article 3(3) would depend on what the Committee decided with regard to Article 12, which stated that the total amount of raw opium required for export by producing countries would be allotted among the producing countries mentioned in an annex to the Convention. Would that annex only mention producing countries which were Parties to the Convention? If so, there would be no point in framing estimates for non-signatory countries.

Mr. BOURGOIS (France) said that the observations of the Canadian and Chinese representatives were very pertinent, and showed that on the purely theoretical plane there appeared to be some difficulties in the Convention. The Secretariat's statistics showed however that, if the main producing and consuming countries ratified, the Convention would probably work very well in practice.

Mr. STEINIG (Secretariat) said that the Secretariat had prepared the draft Articles in the light of the practical experience of the past ten years, taking all production and consumption figures into account. Unless the main producing countries and the main consuming countries were parties to the Convention, it would not come into force. If one of the small consuming countries did not furnish an estimate, the letter would, according to Article 3, be framed by the controlling authority. Colonel Sharman had spoken of a consuming country obtaining supplies independently. Such a position, however, could not arise because of Article 30, which provided that Parties in whose territories the raw opium was produced for export under the provisions of the Convention would not permit the export in any year of a quantity of raw opium larger than that allotted to it for export by the controlling authority.

/Dr. KARADJOFF

Dr. KARADJOFF (Bulgaria) thought that, if the main producing countries signed the Convention, Article 3(1) would be superfluous. Further, the guarantee contained in Article 30 seemed to make Article 3(3) unnecessary.

Colonel SHARMAN (Canada) said that, as he had pointed out at the ninth session, it would be a long time before all the opium in the world came within the orbit of the Convention. Further, it was quite possible that some of the big consuming countries might not sign the Convention.

He did not wish to be pessimistic. Suppose, however, that a producing country were told by the controlling authority that it had been allocated 150 tons on the estimates of a non-signatory country, and the non-signatory country in question subsequently refused to purchase those 150 tons, there would, he feared, be considerable deflation of optimism in at least one country.

Dr. HOO Chi-tsai (China) said that his Government had been one of the first to welcome the idea of a convention. His observations were simply intended to raise certain points which were very important for the good working of the proposed convention. The Committee should continue its task and not be discouraged. He had no preference for any particular method. When houses were built in Europe, the walls were constructed first and then the roof. In China they started with the roof. But the essential thing was that the houses should be solidly built.

Mr. BOURGOIS (France) deprecated excessive pessimism. Objections similar to those which they had just heard could have been made in respect of the 1931 Convention. It was easy to point to ridiculous extreme cases which might occur in theory. For instance, if producing countries which signed the Convention were allocated the total world requirements of raw opium, the first effect of the Convention would (in theory) be over-production, as presumably non-signatory producing countries would also continue to produce. The Committee should work on practical lines; the studies of the Secretariat based on the statistics of the last few years show that a proper application of the Convention is possible. The Committee could, therefore, continue its work with full confidence. The report should state that the difficulties which had so rightly

/been

been indicated had not been forgotten.

The CHAIRMAN said that no one imagined that the Committee would, by one stroke of the pen, produce a Convention which could be made to work immediately. The Committee had shown its wisdom by setting up a Preparatory Committee. Their object was to look for difficulties which called for further study, and deal with them as they occurred.

Sir Malcolm DELFVINGNE said that Colonel Sharman had doubtless put his finger on a difficulty which might possibly arise if Article 3(3) was retained. No real difficulty, however, would result from over-production in the case to which Colonel Sharman had referred, because the amount produced would go into stock and so be taken into account in the following year. If on the other hand Article 3(3) was dropped, non-Party consuming countries -- not having submitted estimates -- would be unable to obtain supplies of raw opium from producing countries which were Parties to the Convention. Retention of Article 3(3) would give rise to less difficulty than its omission.

TWENTY-SIXTH MEETING

Held on 7 June 1939, at 10.30 a.m.

REVISED DRAFT OF THE PRINCIPAL ARTICLES WHICH MIGHT BE EMBODIED IN A CONVENTION FOR LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM, AND CONTROLLING OTHER RAW MATERIALS USED IN THE MANUFACTURE OF OPIUM ALKALOIDS (O.C./Confidential/50(1))(continued).

Article 5, Section 1, sub-section (iii).

Mr. RENBORG (Secretariat) explained that an addition had been made to the paragraph to enable countries concerned to import the quantities of raw opium required to cover supplementary estimates.

Article 5, section 3, sub-section (ii), paragraph 2.

Colonel SHARMAN (Canada) thought that the administrative machinery did not go quite far enough in this connexion. A purchasing country would have no guarantee that raw opium despatched for its account to an entrepôt country had been included in the latter's estimates. Even a minor postal delay might upset the whole arrangement. There should be some safeguarding clause.

Mr. RENBORG (Secretariat) suggested that the point was covered by Article 5, Section 1, sub-section (ii).

Colonel SHARMAN (Canada) said his point was that the importing country was dependent on someone else's goodwill. The administrative machinery should be tightened up.

Mr. RENBORG (Secretariat) thought a country such as Canada was in a better position than a producing country, because it sent its estimates both to the Controlling Authority and to the exporting and re-exporting country.

Colonel SHARMAN (Canada) felt that might be all right in theory but not in practice. For example, under the 1931 Convention, he submitted his estimates one month in advance because he had to leave early for Geneva; and it was only several months later that he learned whether those estimates had been received and acted on. If by any mischance proper allowance was not made for them, it would be too late for the submission of revised estimates.

/Sir Malcolm DELEIVINGNE

Sir Malcolm DELEWINGNE did not believe there was any real danger. The important point was that Canada should send in its estimates to the Permanent Central Board, which would pass them on to the Controlling Authority. The latter would make provision for Canada's requirements, and then examine the supplying country's estimates to ensure that the amount in question had been properly included.

Colonel SHARMAN (Canada) said that his instructions were to take every precaution to see that goods ordered did actually reach Canada. Last year the Canadian authorities had passed through a period of acute anxiety because for some months they did not know whether they were going to obtain their opium requirements.

Mr. REMBORG (Secretariat) suggested that the point was covered by Article 18, section 2.

Colonel SHARMAN (Canada) replied that Article 18, Section 2, made no provision whatever for quantities not included in the estimates of entrepôt countries -- which was his original point. The intention might be good; but the Article did not provide the necessary safeguards.

Sir Malcolm DELEWINGNE said that no entrepôt country could be compelled to do business with another country; but in practice no country was going to refuse business.

Article 7.

Sir Malcolm DELEWINGNE having observed that the Article did not seem to cover the case of a country which purchased a part of its requirements and imported the rest.

The Article was amended to read as follows:

"Each High Contracting Party which imports its requirements of raw opium, or any part of such requirements, undertakes that the quantity of raw opium which it has indicated in its estimates for any year that it desires to obtain shall be purchased and imported during that year".

/Article 9.

Article 9.

Mr. RENBORG (Secretariat) explained that the new Controlling Authority had been instituted primarily as a result of the representations by the producing countries in favour of the protection of their vital interests.

Mr. NIND (India) regretted the introduction of the element of representation; but he understood the Article had been adopted as a compromise after long discussion, and he accordingly advocated its adoption by the Committee without further debate.

Mr. BOURGOIS (France) said that the "long discussion" referred to had turned on the mere matter of naming the new body. It had been suggested that it should be called the "Central Opium Bureau" (Bureau central de l'opium), to avoid the implications attaching to the words "control" and "authority".

Mr. RENBORG (Secretariat) said that the Drafting Committee had taken no decision as to the official name of the proposed new body.

Dr. CHODZKO (Poland) disliked the term "authority", and agreed with what Mr. Bourgois had said as to its unfortunate connotations. Authority implied a series of dependent organs, to which there was no counterpart in the case of the proposed new body.

Mr. FULLER (United States of America) asked whether there was any provision in the Convention for the complete independence -- including budgetary independence -- of the proposed new body. Previous Conventions had been hampered in operation by financial considerations. The United States Government had never been satisfied with the budgetary provision for the Permanent Central Board. All conventions should include provisions for complete budgetary independence of the machinery they set up.

Mr. RENBORG (Secretariat) replied that no such provision had yet been made. The solution would seem to lie with the final Diplomatic Conference, at which the United States Government would be free to submit its own proposals.

/Mr. FULLER

Mr. FULLER (United States of America) remarked that, if it was desired to secure the United States Government's support for the new Convention, the Committee should not fail to recommend the Diplomatic Conference to introduce provisions on the two points to which reference had been made.

Mr. BOURGOIS (France) asked if the Secretariat could supply a rough estimate of the cost of the Supervisory Body, excluding Secretariat costs, for submission to Governments, because the cost of the new body would probably be somewhat similar.

Sir Malcolm DELEVINGNE said that the two bodies were hardly comparable. The Controlling Authority would have much heavier duties to perform than the Supervisory Body, and would meet several times a year instead of only twice.

Dr. CHODZKO (Poland) asked in what sense it was proposed that the new body should be independent, and of whom it was to be independent. Was it to be independent of the League? If so, how was it to be financed?

Mr. FULLER (United States of America) replied that by "independent" he meant "independent of the League and all influences". There had been difficulties over the 1931 Convention; and it had been represented that the Permanent Central Board and the Supervisory Body were not independent of the League, with the result that some countries had refused to supply information on that account. It was his contention that parties to a convention were under an obligation to pay their fair share of the costs of operation of the convention, whether under the auspices of the League or not. Ever since 1931 the United States had been trying to pay its share under the 1931 Convention. One year the United States Government actually sent money to Geneva; but the money had been returned.

Mr. BOURGOIS (France) thought the question of the status and independence of the Controlling Authority was a question of political importance for which it rested with the Diplomatic Conference to find a solution.

/The CHAIRMAN

The CHAIRMAN explained that, when the proposal for a body of four members was put forward, it was intended that the four chosen by the Committee should be completely independent of actual production or manufacture.

Mr. SADAK (Turkey) confirmed the Chairman's statement.

Article 11.

Mr. STEINIG (Secretariat) explained that Article 11 had been completely redrafted in order to clarify the operation of the Convention, and to facilitate the determination of the world production of raw opium.

After some further discussion of the wording, Article 11 was adopted.

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TWENTY-SEVENTH MEETING

held on June 7th, 1939, at 3.30 p.m.

REVISED DRAFT OF THE PRINCIPAL ARTICLES WHICH MIGHT BE EMBODIED IN A CONVENTION FOR LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS FOR THE MANUFACTURE OF OPIUM ALKALOIDS

(Document O.C./Confidential/50(1)). (continued)

Article 12

Sir Malcolm DELEVINGNE suggested that the presentation of the two alternative systems (quota and free order) would be made clearer by the insertion before Article 12 of the words "First alternative: quota system - Articles 12 to 15", and before Article 15A of the words "Second alternative: free order system".

Articles 12, 14 and 15 were adopted, with the amendment to Article 12 proposed by Sir Malcolm Delevingne.

Articles 15 A and 16

Mr. RENBORG (Secretariat) proposed to combine Articles 15 A and 16 in a single new Article 16.

Mr. BOURGOIS (France) said the Controlling Authority would have a delicate task if it had to state which producing country or countries should supply the raw opium required according to the estimates framed by itself for non-party consuming countries.

Colonel SHARMAN (Canada) referred to the point he had raised at a previous meeting with regard to amounts allocated by the Controlling Authority on the basis of estimates it had framed for a non-signatory country to some unfortunate signatory producing country, from which the non-signatory consuming country in the end refused to take its supplies. It seemed only fair to producing countries that the amount involved in such "dud orders" should be added to the amounts they were authorized to export in the succeeding year.

/Mr. BOURGOIS

Mr. BOURGOIS (France) said that the quantity assigned ex officio by the Controlling Authority should be spread over all producers; the Secretariat might bear that point in mind.

Mr. RENBORG (Secretariat) recalled that at the previous day's discussion it had been made clear that the Convention would not come into force unless the main consuming countries signed it. The question being discussed was therefore perhaps not of very great practical interest. Should, however, a case occur where the Controlling Authority framed an estimate for a country which subsequently did not take the amount involved, the Controlling Authority would not furnish an estimate for that country on the next occasion. (According to Article 3 (3) it was only to frame such estimates in so far as might be necessary). The amount which had been produced would go into the regulating stocks of the producing country, which would reduce its production accordingly sometime in the future.

Colonel SHARMAN (Canada) doubted whether the producing country would be satisfied with such a solution.

Mr. SADAK (Turkey) said that Colonel Sharman's apprehensions were very much to the point. The market of consuming countries which were not signatories to the Convention should be kept open to producing countries which were signatories. That would be in the interests of the successful working of the Convention. Non-party consuming countries could not face the possibility of going without supplies; and, if they were unable to obtain them from producing countries which had signed the Convention, they would apply to those which had remained outside.

Dr. KARADJOFF (Bulgaria) supported the observations of Colonel Sharman and Mr. Sadak. The Committee were faced with practical issues. The producing countries had, after all, to find an outlet for their product. If large consuming countries were to remain outside the Convention, what would become of the producing countries? They were merely being told that they could put the amounts left on their hands into regulating stocks, and reduce their production in the following year.

Mr. BOURGOIS (France) said that what was really required was to ensure that the amounts actually delivered corresponded to the estimates.

/ Mr. RENBORG

Mr. RENBORG (Secretariat), in reply to Dr. Karadjoff, said that the size of regulating stocks was not fixed. It would not, therefore, necessarily follow that a producing country would have to reduce its production merely because it increased its regulating stocks - though naturally, if regulating stocks became excessively large, the question of limiting production would arise.

The provision authorizing the Controlling Authority to frame estimates could of course be dropped from the Convention. That would solve the difficulty indicated by the Canadian representative. It was, however, doubtful whether such a step would be wise. Countries which were far away might owing to some oversight forget to send in estimates, but would not for that reason cease to require opium. The Controlling Authority might draw the attention of the Governments of such countries to the fact that an estimate was necessary. The consuming country in question would then probably send in an estimate, or indicate its requirements in a letter to the Controlling Authority. In practice the application of the Convention should not give rise to serious difficulties in that respect.

Mr. BOURGOIS (France) asked the Secretariat to consider the feasibility of distinguishing between (1) quotas which were certain, i.e. quotas allotted in respect of supplies to consuming countries parties to the Convention, and (2) quotas which were uncertain, i.e. quotas allotted in respect of supplies to non-parties. To make such a distinction would involve little extra work for the Controlling Authority, and the risk with regard to the second form of quota could be spread over a number of countries.

Colonel SHARMAN (Canada) said that under Article 7 consuming countries were to submit estimates and guarantee that they would take the quantities involved. Under the second paragraph of Article 16 the Controlling Authority was to frame estimates in certain cases. Would it in such cases also assume the guarantee that the quantities involved would be accepted?

Mr. SADAK (Turkey) said the Committee were faced with a very important and delicate question. The main producing and consuming countries would have to sign the Convention before it could come into force. Supposing, however, a

number of small consuming countries did not sign, they would try to meet their needs by applying to non-party producing countries. The latter might then try to increase their production, and a whole market might develop outside the orbit of the Convention. The only means of avoiding such a danger was to allow producing countries which were parties to the Convention to supply non-party consuming countries.

Dr. HOO Chi-Tsai (China) agreed with the Turkish representative. In the Convention itself the sale of opium by producing countries which were parties to the Convention to non-signatory consuming countries should be encouraged. Similarly, the sale of opium by non-signatory producing countries to non-signatory consuming countries should be discouraged. The idea might be a new one in international law, but should be carefully considered. Might it not even be possible to have some kind of agreement between parties to the Convention aimed at preventing the sale of opium by non-signatory producers to non-signatory consumers by such means as, say, the refusal of transit and trans-shipment facilities?

Dr. KARADJOFF (Bulgaria) said it must be remembered that at the present time international trade was faced with many difficulties in connexion with currency control, export and import policies, etc. A producer country offering raw opium might find a purchaser prepared to offer some other product, e.g. machinery, in return, but unable to liberate currency for the purchase.

Mr. SADAK (Turkey) said that the difficulties referred to by Dr. Karadjoff were very real; but they did not admit of immediate solution, and to examine them at the present time would only delay the Committee's work.

He hoped that the Committee would note the point he (Mr. Sadak) had raised, and that the Secretariat would consider the question how the formation of a market outside the Convention could be prevented. The Committee could then revert to the question at a later stage.

Mr. BOURGOIS (France) said he had intended to ask the Secretariat to study the functioning of a bureau which, while remaining outside the scope of the Convention would be designed to facilitate its application (matters connected with sales, control, currency etc.).

/ Mr. NIND

Mr. NIND (India) said that the Article under discussion appeared to make it possible under the Convention for signatory producing countries to sell to non-signatory consuming countries. The only difficulty was that under the Convention they would have no guarantee that such consuming countries would actually take the supplies. Surely, however, producing countries could take steps to see that the supplies were absorbed. As one of the first effects of the Convention would be to limit output, the producing countries would presumably not object if it so happened that some of the amount produced remained on their hands.

Mr. RENBORG (Secretariat) said that in 1937 the total exports of raw opium amounted to 676 tons, of which 615 were taken by only 14 countries. The figures of the amounts taken by each country showed that only about 60 tons had been imported by what might be called "the small importing countries". Turkey and Iran had exported to more than 10 different countries. If one or two had failed to take supplies, the result would therefore not have been very serious.

The Article they were discussing was no doubt open to criticism; and the Secretariat would welcome alternative suggestions.

Mr. BOURGOIS (France) pointed out that at any rate one part of the market, namely that under the monopolies, was stable.

Sir Malcolm DELEVINGNE said there were various ways of solving the difficulty. One was the solution suggested by Mr. Bourgois, namely, that the quotas should be divided into two parts, one certain, the other uncertain. The production of the second part might be made optional. It would then be for the producing countries to take the decision and the risk. If orders did come along, they could be met from the regulating stocks, which could be made up again by increased production in the following year. Thus producing countries would be freed from the obligation to produce without any assurance of being able to sell their output.

Mr. BOURGOIS (France) thought that Sir Malcolm Delevingne's suggestion was very valuable, and should be given prominence in the report.

/ The CHAIRMAN

The CHAIRMAN said that the various suggestions put forward would be recorded, and noted in the report.

The new Article 16 was adopted in the form proposed by Mr. Renborg, together with the introductory words "Second alternative: free order system" proposed by Sir Malcolm Delevingne.

Articles 17 to 22 were adopted without discussion.

Articles 23 (revised) and 24 (revised).

(See Addendum to document O.C./Confidential/50(1))

Mr. RENBORG (Secretariat) said that some objections had been raised to the establishment of complete monopolies in the case of countries with a small production, although it was recognized that State monopolies were necessary in large producing countries to ensure control. The Secretariat had been asked to draw up a special provision to cover the case of small producing countries, and had drafted a second paragraph accordingly to be added to the former draft of Article 23.

The underlying principle of the new provision was that, where control was not exercised through a State monopoly, the profit received by any organization with private capital purchasing or selling raw opium should be strictly limited.

Dr. KARADJOFF (Bulgaria) said that the rate mentioned in the last sentence of paragraph 2 was lower than the legal rate in some countries. He would prefer some such phrase as "a reasonable profit, account being taken of the amount of capital invested".

Mr. RENBORG (Secretariat) referred to the position in his own country with regard to tobacco and liquor monopolies. The State had arranged to provide capital to take over these monopolies. As their purpose was to raise revenue, there was a stipulation to the effect that dividends on the capital invested should not be more than 5%, the rest of the profits going to the State.

/Perhaps

Perhaps the best solution would be to leave out the figure in the final sentence for the time being.

Dr. KARADJOFF (Bulgaria) said he would accept that amendment.

Article 23 (revised) was adopted, the figure "5" in the last sentence being omitted.

Article 24 (revised) was adopted without discussion.

Article 25

Mr. REINBORG (Secretariat) proposed that, in view of the new definition of "regulating stocks" (definition 12), the words "for export" should be omitted from the last sentence of Article 25.

Article 25, with the above amendment, was adopted.

Articles 26 and 27 were adopted without discussion.

TWENTY-EIGHTH MEETING,

held on 8 June 1939, at 10.30 a.m.

REVISED DRAFT OF THE PRINCIPAL ARTICLES WHICH MIGHT BE EMBODIED IN A CONVENTION FOR LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS USED IN THE MANUFACTURE OF OPIUM ALKALOIDS (document O.C./Confidential/50(1))(continued)
Articles 28 and 29.

Mr. RENBORG (Secretariat) explained that the original text of these Articles had been the subject of considerable criticism in the Preparatory Committee: they had now been completely redrafted.

The final words of Article 29, namely "under State control", had had to be included in the English text because, though in Anglo-Saxon countries all customs bonded warehouses were, ipso facto, under State control, the situation might be different in other States using the English text of the Convention.

Articles 28, 29, 30 and 31 were adopted without discussion, subject to formal amendment of Article 28.

Article 32.

Mr. FULLER (United States of America) looked upon Article 32 as an attempt to render contingent what the Hague Convention rendered obligatory. Enforcement of the Hague Convention was left entirely in the hands of an international commission: he doubted whether such a proposal would meet with any favour whatsoever in his country. It would be much better to fix a date by which the manufacture, transportation and sale of prepared opium should be completely prohibited. The present text was far from completing the Hague Convention. On the legal issue, in his opinion, it was at least open to doubt whether the terms of the Hague Convention could be altered in such a material manner.

Dr. HOO Chi-tsai (China) entirely agreed with the representative of the United States. The first five paragraphs only of the Article as amended were acceptable to him. The only solution of the problem was to fix a date for

/the abolition

the abolition of the production of raw opium for smoking. Last year he had proposed a time limit of five years, and the fact that he had not insisted on that proposal this year was evidence of his desire to be conciliatory. Some definite limit ought, however, to be fixed immediately: otherwise this Convention would show no advance on existing Conventions. Its only effect would be to divide the market among the High Contracting Parties and stabilize or raise prices. It might even, as Mr. Bourgois had pointed out, result in an increase of production, whereas production was what they had to restrict. He therefore proposed the omission of paragraph 6. He did not think his Government as the Government principally interested in this Article -- because not only in China, but also outside China, in British and Netherlands colonies, the immense majority of smokers were Chinese -- would accept it.

Colonel SHARMAN (Canada) agreed with the representatives of the United States and China. Already under this Convention consuming countries had been asked to make sacrifices on seven different points. First of all, they might lose their choice of their country of supply: secondly, they were ^{made} dependent on entrepot countries in the matter of estimates: thirdly, they were obliged to purchase the full amounts for which estimates had been submitted: fourthly, they had to accept the probability of a rise in prices: fifthly, they had to forego the right to grow opium in their own countries: sixthly, they might have to forego the right to cultivate the poppy plant itself: and, seventhly, they were asked to destroy all opium seized in their territories in the illicit traffic. As against this, producing countries gained the advantage of more certain markets and a probable increase in prices. What could consuming countries expect in the way of compensation?

One thing at least Canada had hoped for: and that was the fixing of a definite date at long last for the final abolition of the production of raw opium for smoking.

Another difficulty was the position of the Indian States, of which there were 360, with a total of 7,600 shops dealing in opium. These States did not come under the Convention at all: the League had no influence over them, and the Indian Government made the most express reservations regarding them.

/He doubted

He doubted whether the proposal in paragraph 6 was valid in international law.

Referring to the opposition of Government monopolies to complete prohibition, he mentioned the case of the Hongkong Monopoly, because it was the one he knew best. Ninety-six per cent of the opium sold in Hongkong came from illicit sources: in his opinion the high price charged for monopoly opium was responsible. If the monopoly price was trebled, sales of illicit opium would go up 100 per cent and capture the market outright. Under present conditions smuggling must continue indefinitely. The Canadian Government were willing to make sacrifices if they saw any effective steps being taken to improve the situation in the Far East, but not otherwise.

Mr. NIND (India) regretted that any Article should be viewed solely from the point of view of the sacrifice any one country might be called on to make. The principal reason for the failure of previous Conventions was the illicit traffic. The main object of the present Convention was so to control the production of raw opium that no surplus opium would be available for the illicit traffic. In his opinion an Article such as this was unnecessary. Once the production of raw opium was brought under control, the provisions of previous Conventions would come into effect, and within a few years the smoking of opium would automatically stop.

Mr. DELGORGE (Netherlands) agreed with the representative of India. They wanted to put an end to the consumption of prepared opium in certain Far Eastern countries, and this Convention might succeed in so doing; but his Government wanted first of all to be certain that the Convention would work well before agreeing to fix a date for abolition. It would be detrimental to the population to prohibit there and then the consumption of prepared opium. He recognized that there must be some measure of compromise; and that was why he had proposed the commission to which the alternative draft of article 32 referred. He would, however, accept any other proposal which met the difficulty. The reason why he did not want to fix a date was not that he was unwilling to make sacrifices, but that he considered it impossible to fix a date in present circumstances.

/Mr. BOURGOIS

Mr. BOURGOIS (France) agreed with Mr. Delgorge. The sacrifices of consuming countries were of secondary importance when compared with the advantages to be gained in the reduction of addiction.

Dr. CHODZKO (Poland) regarded paragraph 6 as the important part of the Article: perhaps the vagueness of its wording was at the root of the opposition to it. He suggested the addition after "international commission", of the words "of which the representatives of China, the United States and Canada, would be members."

Furthermore, the powers of the commission should be restricted. At present, with the possibility of and unlimited extension of dates, the commission would be omnipotent. A limit of two or three years at the most should be stipulated, and this could be done by adding the words "provided the said extension does not exceed two or three years" at the end of the paragraph. The effect of this amendment would be to preclude any extension without the concurrence of three of the countries most closely concerned.

Mr. CARNOY (Belgium) supported Dr. Chodzko's amendment. The defects of the Article had perhaps been exaggerated. What it meant was that, instead of proposing a date for abolition, the producing countries would now be expected to put forward reasons for the postponement of abolition. The probable effect on public opinion would be of high psychological value.

Mr. BOURGOIS (France) felt that the decision on the Article under discussion was best left to the Conference. One source of difficulty was obviously the unanimity provision. If China continued to maintain her official attitude as to the absence of any necessary connexion between opium smoking and the illicit traffic, unanimity would never be possible.

Dr. HOO Chi-tsai (China) said that Mr. Bourgois had endeavoured to meet Colonel Sharman's objections with the argument that the sacrifices of consuming countries would be compensated by reductions in addiction. What Colonel Sharman had said was that, if addiction was reduced, consuming countries

/were prepared

were prepared to make sacrifices but that, unless a time limit was laid down, this Convention was unlikely to reduce what might be called legal addiction.

The Chinese Government took the view that the solution of the illicit traffic problem was not to be found in monopolies. Illicit traffic existed in monopoly countries; and it was a tenable view that monopolies were largely or partly the cause of it.

With regard to the unanimity provision, China, as the country most concerned, was entitled to maintain her opinion. If paragraph 6 was omitted, there would be no possibility of postponement; but, if the other members of the Committee insisted, he might be persuaded to consent to the possibility of postponement.

Mr. FULLER (United States of America) felt that what they were really discussing, or should be discussing, was the obligation of the Hague Convention gradually and effectively to suppress the smoking of opium.

Paragraph 6 was unfortunately worded. It looked like an attempt to interfere with the Hague Convention. It changed a positive into a contingent obligation. Most conventions seemed to have been devised to ensure that the suppression of opium smoking should be gradual. No one could say it had been anything else. After twenty-seven years, they were still talking about postponing the enforcement of this positive obligation. It was his opinion that the diplomatic conference should embody in the convention some such provisions as those suggested by the United States Government in document O.C.1751(f).

Mr. DELGORGE (Netherlands) proposed, in view of the evident impossibility of reaching complete agreement on this Article, that the alternative drafts should be submitted to the diplomatic conference together with a record of the debate.

The CHAIRMAN supported Mr. Delgorge's proposal: Dr. Chodzko's amendment to paragraph 6 to be included separately.

Agreed.

THIRTY-FIRST MEETING

Held on June 9th, 1939, at 3.30 p.m.

PREPARATORY WORK FOR A CONFERENCE TO CONSIDER THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS FOR THE MANUFACTURE OF OPIUM ALKALOIDS
(Continued).

Mr. FULLER (United States of America) made the following statement:

"Based on the experience gained in previous conferences which had been convened for the purpose of drawing up conventions dealing with narcotic drugs, I should like to point out that it would be well to have certain clear and definite understandings either embodied in the invitations to the proposed Conference on Limitation of the Production of the Opium Poppy and of Raw Opium or else agreed upon before the invitations are sent out.

"The American Government will not be disposed to consider participating in a Conference on Limitation of the Production of the Opium Poppy and of Raw Opium in the absence of :

(1) A precise and authoritative prior statement of the terms of reference in a manner that will clearly determine the scope of and the limitations on the powers and deliberations of the Conference;

(2) Prior agreement to maintain complete and accurate records of the proceedings, to be promptly furnished to the delegates daily and to set forth speeches verbatim;

(3) Prior agreement that all speeches delivered in any language shall be translated into French and English;

(4) Prior agreement that will ensure consideration by the Conference of ways and means of implementing the Hague Convention of 1912, including the provisions of that Convention which relate to suppression of the manufacture of, internal trade in and use of prepared opium;

(5) Prior understanding that reports to the League Council shall not undertake to present the view of the American Government otherwise than by texts which have received the prior approval of that Government."

(The Committee went into private session).

/Revised

Revised draft of the principal articles which might be embodied in a convention for limiting and controlling the cultivation of the opium poppy and the production of raw opium.

Document O.C./Confidential/50(1).

(Continuation of the Discussion).

Chapter 12.

The CHAIRMAN recalled the conclusions of the Sub-Committee on Prices, of which he had informed the Committee at the Twenty-Fifth Meeting. The Sub-Committee proposed that the Articles relating to the regulation of prices should not be inserted at the present stage, but that a record of the Committee's views on the subject should appear in the report. The Sub-Committee further proposed that the statement by the representative of Turkey, document O.C./Confidential/54, should be annexed to the report.

Mr. SADAK (Turkey) did not think it necessary to annex the statement to the report. The Turkish delegation had merely asked for it to be distributed for the information of members.

The Committee decided that document O.C./Confidential/54 should not be annexed to the report.

Article 33.

Adopted.

Article 34.

Mr. RENBORG (Secretariat) said that the interesting point in connexion with this Article was the question of date. The representative of Turkey had made a reservation on the subject.

Colonel SHARMAN (Canada) thought that the question of the date was not important at the present stage, because a proposal would probably be submitted later that the date should be the same as that in Article 32.

/Mr. EMBIRICOS-COUMOUNDOUROS

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) proposed to change the words "on January 1st, 1939" in Article 34 to "up to January 1st, 1939". The reason for the original amendment to Article 34 had been the fear expressed by the Turkish representative that, if the entry into force of the Convention were delayed, countries which had hitherto never cultivated poppies for the production of opium might start to do so. That danger should be avoided by fixing a date, i.e., January 1st, 1939, after which countries would not be allowed to start producing opium. The text in its present form might give rise to misunderstandings. Further, if a country had been a producer without interruption up to 1938, but for some reason had not cultivated in 1939, it would find itself excluded -- which would be unjust.

Mr. BOURGOIS (France) suggested the addition of the words "except for internal needs". Such a qualification had always been introduced into previous conventions.

Mr. SADAK (Turkey) could not accept Mr. Bourgois' proposal. Article 34 was intended to offset the effects of limitation. Its object would be defeated, if non-producing countries were to be allowed to produce for their own requirements.

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) said he understood the Turkish representative had made a reservation with regard to the date to be fixed. Whatever that date might be, it should not question the right of Greece to continue to cultivate for the production of opium on an equal footing with the other producing and exporting countries. Otherwise he did not see how Greece, which had an eminently suitable climate for poppy growing and had always been a producing country, could participate in the proposed Convention.

Mr. BOURGOIS (France) said that one case was specially interesting from the point of view of area, namely that of China, which had decided that cultivation should be completely prohibited in 1940 -- in other words, the principle of prohibition had already been adopted there but not yet completely applied. What would be the position of China under Article 34?

/Dr, HOO Chi-Tsai

Dr. HOO CHI-Tsai (China) said that according to the letter of Article 34 China could cultivate, as cultivation did exist, and prohibition was only to be applied by gradual stages. Everything would, however, depend on the spirit in which Article 34 was accepted by the other Contracting Parties and on the decision with regard to Article 32.

Mr. RENBORG (Secretariat) proposed to amend the words "did not exist or was prohibited on January 1st, 1939", to read "had not existed up to January 1st, 1939, or had been prohibited by that date".

Mr. DELGORGE (Netherlands) said that Mr. Renborg's amendment would considerably change the sense of the Article. It would mean that two different categories of countries would be excluded.

Mr. RENBORG (Secretariat) stated that he had not intended to change the sense of the Article but only to make it clear. He proposed to say "did not exist" instead of "had not existed".

Mr. SADAK (Turkey) said that too much importance should not be attached to the drafting of the Article, as it would have to be dealt with by legal experts in due course. He therefore proposed its adoption in its present form subject to the amendment proposed by the Greek representative.

Mr. EMBIRICIS-COUMOUNDOUROS (Greece) thought that the question of prohibition should be distinguished from the question of the existence of cultivation. The two cases were not the same. He therefore proposed that either Mr. Renborg's amendment should be accepted or the reference to prohibition be omitted.

Mr. BOURGOIS (France) presumed that the past production referred to in Article 34 meant legal and not illicit production.

Mr. RENBORG (Secretariat) said that there were cases where poppy cultivation was neither prohibited nor specifically allowed, but did in fact exist. In others, there was a definite prohibition.

/Mr. DELGORGE

Mr. DELGORGE (Netherlands) thought that Mr. Renborg's amendment would mean that a country which had once produced raw opium would be allowed to do so again, even if it had not produced for many years.

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) said that this was the sense of the amendment, and followed logically from the discussions in the Sub-Committee.

Article 34 with the amendment proposed by Mr. Renborg was adopted.

Article 35.

Mr. SADAK (Turkey) said that the Sub-Committee appeared to be practically in agreement as far as the principle of destruction was concerned, the only difficulties being in connexion with details of application. He therefore proposed that the agreement on the principle of destruction should be indicated in the report.

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) supported the Turkish representative's proposal. The principle that seizures should be destroyed was in conformity with the whole spirit of the Convention.

Colonel SHARMAN (Canada) thought that the only difficulty was that connected with identification and quotas, as had been indicated by Mr. Fuller. As far as the actual destruction of seizures was concerned, there should be no difficulty.

Mr. RENBORG (Secretariat) said that a number of proposals had been made in the Preparatory Committee, including one to the effect that there should be provision for the destruction of prepared opium as well as raw opium. The discussion had brought out a number of different and opposing views. The Drafting Sub-Committee had therefore decided that it would be better to leave the question for consideration by the Conference itself.

It was for the Committee to decide whether the report should include a statement of the type proposed by the Turkish representative.

/Mr. DELGORGE

Mr. DELGORGE (Netherlands) thought that it would be better for the Committee not to take a decision with regard to the Turkish representative's proposal, as the point involved was the very one which had caused a decision to be postponed.

Colonel SHARMAN (Canada) said that one obstacle appeared to be the suggestion that prepared opium should be included. If the proposal with regard to the destruction of seizures was to be reserved, it should be reserved in its widest sense -- i.e., with reference to both raw and prepared opium -- so that, when delegates came to the conference, they would have full instructions on the subject.

The CHAIRMAN agreed with Colonel Sharman.

Mr. RENBORG (Secretariat) said that the Secretariat proposed to leave Article 35 out of the draft, and to include a passage in the report to the Council on the question of the destruction of opium -- raw and prepared -- seized in the illicit traffic, to the effect that the Committee had decided that Article 35 should be reserved for consideration by the Conference.

Mr. BALLENEGGER (Hungary) supported the Secretariat's proposal.

The Secretariat's proposal was adopted.

Article 36.

Adopted.

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THIRTY-SECOND MEETING

Held on June 10th, 1939, at 10.30 a.m.

ADOPTION OF MINUTES

Minutes of the Ninth and Tenth Meetings.

Adopted, with drafting amendments.

Minutes of the Eleventh, Twelfth, Thirteenth, Fourteenth, Fifteenth and
Sixteenth Meetings.

Adopted, with drafting amendments.

Seventeenth and Eighteenth Meetings.

Adopted, with amendments by Dr. Chodźko.

THIRTY-THIRD MEETING
held on June 12th, 1939, at 3 p.m.

PREPARATORY WORK FOR A CONFERENCE TO CONSIDER THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM AND CONTROLLING OTHER RAW MATERIALS FOR THE MANUFACTURE OF OPIUM ALKALOIDS.

DISCUSSION AND ADOPTION OF REPORT
(Document O.C.1775)

Mr. BOURGOIS (France), Rapporteur, submitting his report, proposed that when the draft articles for a convention were communicated to Governments they should be accompanied by a short commentary by the Secretariat explaining the mechanism and principles of the proposed convention.

Agreed.

Mr. SADAK (Turkey) paid a tribute to the Rapporteur for his excellent report. Before it was discussed in detail, the Turkish delegation wished to propose that it should mention the draft article forbidding non-producing countries to produce after a certain date.

Mr. BOURGOIS (Rapporteur) agreed that the point was an important one. If the Committee agreed, he would mention it.

Agreed.

Page 5

Mr. NIND (India) said he had drawn attention to the fact that not only had stocks in the Indian States decreased, but control had been made much more effective. He proposed the insertion in the third paragraph of page 5 after the words "illicit traffic", of the phrase "that only one Indian State was producing opium for its own consumption or for the Government of India's factory".

The amendment proposed by the representative of India was adopted.

Page 8

Mr. SADAK (Turkey) asked whether the eighth paragraph on page 8 covered the distinction, to which he had drawn attention, between the total area sown with opium poppy and that reserved for the production of raw opium.

Mr. RENBORG (Secretariat) said the point was covered by Article 21 of the proposed convention. The words "for the purpose of producing raw opium" could be added after the words "opium poppy" in the first line.

The amendment proposed by Mr. Renborg was adopted.

Page 9

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) said that the word "producing" in the last line on page 9 should be changed to "exporting-producing".

The amendment proposed by the representative of Greece was adopted.

Page 12

Mr. RENBORG (Secretariat) proposed the omission of the paragraph quoted at the head of page 12.

Agreed.

Page 13

Dr. HOO Chi-Tsai (China) proposed the insertion of the word "exporting" after the word "big" in the second line of the first paragraph on page 13.

He also wished some mention to be made of his suggestion concerning some arrangement to discourage purchase by non-Party consuming countries from non-Party producing countries.

Mr. RENBORG (Secretariat) pointed out with reference to the first amendment proposed by the Chinese representative that some producing countries of considerable importance, such as India and (for the time being) China, did not export.

The Chinese representative's point might be met by the use of the term "exporting-producing countries" in the last line but one of the first paragraph.

/Mr. Renborg's

Mr. Renborg's proposal was adopted.

Mr. BOURGOIS (Rapporteur) suggested with reference to the second amendment proposed by the Chinese representative that the report might mention Dr. Hoo Chi-Tsai's proposal, and say that the Secretariat had been asked to study the question.

Mr. Bourgois' proposal was adopted.

Page 17

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) proposed to amend the second paragraph on page 17 to indicate that the representatives of other countries had made observations similar to those of the representative of Greece.

Mr. BOURGOIS (Rapporteur) proposed to replace the words "by the representative of Greece" by the words "made by certain members".

The Rapporteur's proposal was adopted.

Page 22

Dr. CHODZKO (Poland) thought that the words "by free negotiation" should be omitted from the second paragraph on page 22, as neither the Turkish representative nor he himself had made any reference to negotiations.

Mr. SADAK (Turkey) proposed that the last two lines of the second paragraph should be amended to read "and to leave the matter to be decided at the next session of the Committee or by the Conference itself".

The amendment proposed by the Turkish representative was adopted.

Page 23

Mr. BOURGOIS (Rapporteur) proposed to omit the last sentence of the fourth paragraph on page 23.

Agreed.

The Committee decided to amend the first sentence of the fourth paragraph by replacing the words "drugs manufactured from opium" by the words "opium alkaloids seized".

Page 24

Mr. DELGORGE (Netherlands) said that Article 6 of the Hague Convention contained much more than was indicated in the first sentence of the second paragraph on page 24.

Mr. BOURGOIS (Rapporteur) suggested that the point raised by Mr. Delgorge would be met by incorporating the actual words used in Article 6, i.e., by the addition after "prepared opium" of the words "with due regard to the varying circumstances of each country concerned".

Mr. DELGORGE (Netherlands) proposed to add the words "that imports opium for smoking" at the end of the last sentence but one on page 24.

The amendment proposed by Mr. Delgorge was adopted.

Page 24

Dr. HOO Chi-Tsai (China) proposed to add the words "and of raw opium intended for the manufacture of prepared opium" after the words "prepared opium" in the fourth sentence of the second paragraph on page 24.

Mr. DELGORGE (Netherlands) did not see how Dr. Hoo's amendment could be accepted, as the representatives of Canada and China had only been referring to prepared opium, the question of raw opium having already been dealt with.

Dr. HOO Chi-Tsai (China) thought that the summary of views would be clearer if a summary of the original draft of article 32 were given.

Mr. RENBORG (Secretariat) proposed to add the words "and consequently a cessation by that date of imports of raw opium intended for the manufacture of prepared opium" to the second sentence of the second paragraph.

Dr. HOO Chi-Tsai (China) accepted Mr. Renborg's amendment, but suggested that the words "and production" should be inserted after the word "imports" and that the phrase "by that date" should be replaced by the phrase "by a given date", as the two dates would not necessarily be the same.

The Committee decided to amend the second sentence of the second paragraph on page 24 by adding the words "and consequently a cessation by a given date of imports and production of raw opium intended for the manufacture of prepared opium".

Page 25

Mr. DELGORGE (Netherlands) said that the words "for the Netherlands Indies" should be inserted after the word "assume" in the last sentence of the first paragraph on page 25.

The amendment proposed by the Netherlands' representative was adopted.

Page 29

Mr. EKSTRAND (Director of the Opium Traffic Section) said that the statement made by the representative of the United States of America was to appear in the minutes of a public meeting, and would be borne in mind at the time of the Conference. Did the Committee feel that Mr. Fuller had also wished it to appear in the report?

Dr. HOO Chi-Tsai (China) said that some of the points in Mr. Fuller's declaration were very important, and related to the kind of thing which Governments would like to know before the Conference took place.

Mr. SADAK (Turkey) agreed that the declarations of the representative of the United States of America were very important, but they had no bearing on the clauses of the proposed Convention as such.

Mr. RENBORG (Secretariat) observed that Mr. Fuller had been anxious to make his statement at a public meeting; but he had not expressed any specific wish for it to appear in the report.

The CHAIRMAN said he understood it had been Mr. Fuller's intention to make his speech after the report had been adopted. The reason why he made it earlier was because he had been obliged to leave before the adoption of the report.

The Committee decided to omit the statement by the representative of the United States of America from the report.

Mr. BOURGOIS (France), Rapporteur, read the text of a passage submitted by the Turkish delegation referring to draft article 34. He proposed, if the Committee agreed, to include it in the report,

/He further

He further proposed to add the following sentence after the last paragraph but one on page 30:

"In order to facilitate the study of the draft article by the National Administration, this report will be accompanied by a brief statement on the principles and machinery of the proposed convention, drawn up by the Secretariat."

The amendments proposed by the Rapporteur were adopted.

Page 31

The Committee decided that the names of the following countries should be inserted in the first paragraph in page 31:

The Argentine
United Kingdom
Bulgaria
China
France
Finland
Greece
Iran
Mexico
The Netherlands
Switzerland
Turkey
United States of America
U.S.S.R.
Yugoslavia.

The Report on the Preparatory Work, with the above amendments and minor drafting amendments, was adopted by the Preparatory Committee.

MINUTES OF PRIVATE MEETINGS

The Committee decided that the minutes of private meetings should be made available to Governments if the latter so desired.

(The Committee went into public session).

Mr. BOURGOIS (France), Rapporteur for the Preparatory Work, submitted the Report of the Preparatory Committee (document O.C.1775 amended) to the Advisory Committee, with the recommendation that it be inserted in the latter's Report to the Council.

The Report was adopted by the Advisory Committee as its Report to the Council on the year's preparatory work.

/Close of

Close of the session

Tributes to Mr. Ekstrand

Mr. SADAK (Turkey) thanked the Chairman for the way in which he had presided. The Chairman's tactful, equable and impartial attitude had been of great value to their discussions.

The Secretariat's unwearied efforts had greatly facilitated and (as it were) guided the work.

He wished to pay a special tribute to Mr. Ekstrand. Mr. Ekstrand was about to leave the League; but his name would always remain associated in its annals with the work of the League in connexion with social questions, which had already produced so many positive results. He was concerned to express the high esteem in which Mr. Ekstrand was held by the Government of the Turkish Republic and the Turkish delegation, and to offer him their sincere good wishes for the future.

As for present results of the work, the Committee had every reason to be satisfied with what had been already accomplished. A draft text had been evolved embodying a large number of essential principles to serve as a basis for a future convention. Much of the ground had already been covered; but much remained still to be done. Before the Committee could go further, Governments must define their attitudes and assume their responsibilities. The success of the next phase of the Committee's work would depend on the acceptance of the present draft by the majority of producing and consuming countries.

Turkey, as he had often declared, was ready to do all in her power to ensure the success of the task which they were pursuing. The fact that Dr. Refik Saydam, who for years had been actively and wholeheartedly engaged in the work of limitation and the suppression of the illicit traffic, was now Prime Minister, was a valuable factor which would make the efforts and goodwill of Turkey in the matter all the more effective.

The Committee's great object was to combat and, if possible, completely abolish the terrible evil of drug addiction. They were therefore proposing to limit the world production of raw opium to the legal world requirements. But, while limitation was one means of reaching their goal, it was not the only means. If it had been possible to obtain positive results in the campaign against illicit traffic merely by limiting the cultivation of the opium poppy,

/Turkey's

Turkey's reduction of her cultivation by one-half ought to have been followed by a corresponding increase in addiction throughout the world. Unfortunately that had not been the case.

To prevent masses of human beings from falling victims to intoxication by morphine, cocaine, heroin, etc., more was needed than mere limitation of cultivation by particular producing countries. There would have to be restrictions, and sanctions binding all countries, whether producers or consumers, to induce them to collaborate wholeheartedly and in good faith with a high-minded disdain of material interests in the noble task which they had set themselves to carry out.

The Committee's work had not ended with the preparation of the Draft Convention. It was their duty to enlighten and convince their respective Governments with a view to the establishment of more extensive points of agreement. In spite of the agreement reached by the Committee on certain essential principles, problems of primary importance still remained to be solved, such as the question of quotas and the extraction of morphine from poppy straw. It was greatly to be hoped that agreement might finally be reached either at the next session of the Committee or at the international conference which they all hoped would meet as soon as possible.

Mr. EMBIRICOS-COUMOUNDOUROS (Greece) associated himself with the Turkish representative's remarks.

He was anxious to pay a tribute to his colleagues on the Committee for the spirit which had made it possible to solve many difficulties. The rapidity with which the Committee had done its work on this occasion justified the hope that their efforts to cope with the problem of drug addiction would very shortly be brought to a successful conclusion.

The CHAIRMAN made a statement in the following terms:

"We have to come to the end of our labours for this year. The work has been long and sometimes delicate. At the moment of parting, you will permit me to look back on the work achieved and give expression to what I think may be its significance for the future.

/"Apart from

"Apart from such important questions as the preparatory work for the limitation of opium production, illicit traffic, drug addiction, the situation in the Far East, the casual observer may feel that the Advisory Committee is giving a great deal of its time to the discussion of administrative or technical questions which may appear of little importance. We ourselves are inclined sometimes to lose sight of what this Committee has been doing in the twenty years of its existence and what it is continuing to do.

"We are assisting the League of Nations to build up a world-wide system of international control of opium and drugs. We have created through the League of Nations the first international administration which has been superimposed upon national and private interests. Slowly this structure has been built up by the League and by Governments in co-operation. The building is almost complete. We are now adding what appears to be the last part of the edifice by preparing a Convention for the limitation of production of raw materials. In creating this machinery of international co-operation, we are not only solving the drug problem; but I think we are showing the world the results which may be obtained through mutual co-operation and assistance. Long after the drug problem has ceased to call for further international work, the machinery of the League of Nations in this field will stand as a model for work in other and even more important fields.

"We may sometimes find our work tedious. We may sometimes have opposing views; but in the long run it seems that the common interest prevails.

"Sometimes we may not take the most direct road. But I think that so far we have always succeeded in arriving at our goal.

"Before closing this session, I would recall some of the questions dealt with. The most important is of course the work in connexion with the future Convention for the limitation of the production of raw materials. We have been able to prepare a draft of the principal articles of that Convention, and at the next session we hope to have before us that draft in a form satisfactory to the jurists. We have yet to find the solution of certain important problems such as the limitation and control of poppy straw, the regulation of raw opium prices, and the choice between the quota and the free order system. I have no doubt that when we meet here again in about eleven months' time we shall be able to settle these questions and it seems possible that the international Conference may be convened in the near future. Thus, substantial progress has been made during the present session.

"The Annual Reports of Governments, the situation in the Far East, the illicit traffic and clandestine manufacture have been given the usual careful consideration; and again the Committee has reason to point with satisfaction to the useful results of international co-operation. We have been able to give considerable attention to the campaign against drug addiction and the Committee is now able better to appreciate the magnitude of the task. The information available is still incomplete, but I think we may claim that our enquiry has been useful and will, if continued on scientific lines, bring us nearer a solution of the problem.

"Your Cannabis Sub-Committee is now in possession of the basic information and has been able to draw up its future programme of work. This is again a step forward, and gives us reason to hope that positive results may soon be expected.

"Finally, I would refer to the question of opium smoking in the Far East. For years, the Committee has been divided into two camps on this question -- those who favour immediate prohibition and those who maintain that, as long as there are abundant quantities of opium in the illicit market, a controlled consumption is better than a prohibition that cannot be enforced. We are attempting to fix, in connexion with the new Convention, a date for the final suppression of tolerated opium smoking. We have heard this year interesting suggestions for further measures which might improve the situation -- for instance, the reduction in the price of Government prepared opium and the adoption of a uniform policy in the different countries and territories concerned aiming at the further restriction and reduction of the consumption of prepared opium. I would suggest that it might be well worth while, between now and the next session, to give further consideration to these questions.

"In closing the session, I think we have reason to be satisfied with our work. I wish to thank you for the confidence you have shown me as President and the patience and forbearance with which you have taken the rulings from the Chair.

"Before I close I would refer to the sense of impending loss which we all feel at the departure of Mr. Ekstrand. We have already taken an opportunity of expressing to him our appreciation of his work and his friendship. He leaves us with the assurance of a continuance of that friendship and the knowledge that his name will always be associated with the work of this Committee, to the

success of which he has in so large measure contributed during the eight years of his services as Secretary to it and Director of the Opium Section.

"Finally, I desire to express my own personal thanks and the thanks of the Committee to the Secretariat for all their work in connexion with our meetings. In doing so I desire to include, not only those who are known to us, but also those who by their work behind the scenes have materially aided us in our deliberations. We are specially grateful to the members of the Opium Section whose task, in preparing the documentation and assisting in the discussions of the Committee, has been so admirably performed."

Mr. DAESSLE-SEGURA (Mexico) associated himself with the tributes paid to the Chairman and Mr. Ekstrand.

Dr. CARRIERE (Switzerland) also wished to join in the words of thanks and farewell to Mr. Ekstrand. If the Committee's work had made any progress, if results had been achieved, if their ship had avoided running on the rocks, it was due to Mr. Ekstrand and his personal qualities as a skilled and courteous diplomat. On behalf of the Committee, he wished to assure Mr. Ekstrand of their continued friendship and to give him their most sincere good wishes for the future.

Dr. CHODZKO (Poland), on behalf of his Government, associated himself with Dr. Carriere's tribute to Mr. Ekstrand and expressed his own personal feelings of sincere friendship. He also joined in the tribute to the Chairman.

Mr. RENBORG (Secretariat) said that this was the Opium Section's official farewell to their chief. The Chairman and members of the Committee had expressed their sense of loss. The Secretariat's loss was perhaps even greater as they were losing a chief who had directed them during many years of hard work. They wished to thank him for his unfailing interest and guidance in that work and for the great courtesy he had always shown them all.

/Mr. EKSTRAND

Mr. EKSTRAND (Director of the Opium Traffic Section) said that, in international as in national affairs, all legislative progress was achieved stage by stage. It was rare for a problem to be solved at once by an enactment which was perfect and complete in every respect. Looking back over the years during which he had been associated with the work, he felt that the rate of progress in the establishment of a satisfactory international system of control over dangerous drugs had not been slow. In less than half a life-time, the first tentative solution represented by the Hague Convention, concluded between only a few States, had been followed by the much more advanced and complicated mechanism of the 1925 and 1931 Conventions, which applied to the whole world.

The Committee had now taken a decisive step towards the final achievement which would crown their efforts to suppress and eliminate as far as possible the scourge of drug addiction: they were about to submit to Governments the draft of a new international Act for the limitation of raw materials employed in the manufacture of the substances used by drug addicts.

The draft Convention which they had prepared contained, like the Convention of 1931, important innovations both from the legal and the economic points of view. The draft represented the first attempt at international regulation of a whole branch of agricultural production. They were proposing that legitimate world requirements should be determined in advance, and that the supply of raw materials should be adapted to the requirements of legal manufacture.

Thus, the draft not only embodied the principles of a controlled economy, but developed the international administration instituted by the previous Conventions. In virtue of the Convention which they were elaborating, no Contracting Party would be able to produce, export or import opium without giving an account of those transactions; and all such operations would be strictly supervised by the various national and international organs.

If it were possible to establish a similar Convention for objections much more dangerous than opium, mankind would have taken a great step forward.

He thanked the Chairman, members of the Committee and Secretariat for the friendship they had shown to him for so many years. He was proud to have been associated with work such as that done by the Opium Advisory Committee.

/It had

It had sometimes been very difficult to progress as they would have wished, but he thought he could say that, if the history of the opium problem was ever written, the past eight years would be considered as fruitful. He was convinced that what it had not yet been possible to achieve, owing to present obstacles to international co-operation, would ultimately be achieved because the Opium Advisory Committee was composed as it was and because it had the Secretariat it had. He could not pay a tribute to his collaborators in more eloquent words than those used by members of the Committee; but he could speak as one associated with their day-to-day work. That work had given them all great satisfaction because, even when difficulties had been great, they had been an inducement to persist and to prevail. He knew that the Secretariat would go on doing the same good work and achieving good results. He wished the Committee and the Secretariat all success and thanked them for the kindness, indulgence and confidence they had shown him. He could only hope that others who left the League might do so with the same happy memories and the same conviction as to the work's success.

The CHAIRMAN declared the twenty-fourth session of the Advisory Committee closed.

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The following is a list of the names of the
persons who have been elected to the office of
the President of the United States.