The Report of the Permanent Central Opium Board gives an account of the work of the Board since the presentation of its last Report on September 23rd, 1932. This document submits the Board’s conclusions on the world situation with regard to narcotics in 1932 as it appears from a detailed examination of the statistical information received by the Board, in virtue of the Opium Convention signed at Geneva on February 19th, 1925, from forty-seven Governments who were contracting parties to that Convention in 1932 and from some ten other Governments who, while not being contracting parties, nevertheless apply this Convention for humanitarian reasons. It is gratifying to note that, as a result of ratification by Chile and Turkey in April, 1933, the number of contracting parties to that Convention is now forty-nine.

As this Report has already been circulated, I shall confine myself to a very brief summary of what seems to me to be the most important conclusion to be drawn from this extremely careful study.
On the eve of the expiration of its term of office the present Board draws up a comparison between the world situation with regard to narcotics as the Board found it in 1929 - the first year for which it received statistics, the Geneva Convention having come into force at the end of 1928 - and the situation in 1932, that year being the last for which the Board has statistics. This comparison shows that the manufacture of drugs has declined by 31 per cent. in the case of morphine, 29 per cent. in the case of heroin and 58 per cent. in the case of cocaine. The stocks of morphine existing at the end of 1932 in the manufacturing countries were approximately the same as those existing at the end of 1929, while heroin and cocaine stocks were respectively 32 per cent. and 85 per cent. of the 1929 stocks. Exports from manufacturing countries for the year 1932 represent a decrease of 25 per cent. for morphine, 34 per cent. for heroin and 56 per cent. for cocaine, compared with the exports of the same countries in 1929. This great improvement in the situation is mainly due, in the Board's opinion, to the application of the Geneva Convention of 1925 by the Governments of the contracting parties and to the spirit of co-operation displayed by other countries which have applied this Convention without being bound to do so.

It should be noted with satisfaction that during the year dealt with in the report the Board has come to the conclusion that the Turkish Government has taken steps to suppress the illicit traffic in narcotics, and that the danger, as it seemed to exist in 1931, has been overcome.
It had also appeared to the Board at the beginning of 1933 that there was some danger of Bulgaria becoming a centre of the illicit traffic. The procedure laid down in the Geneva Convention was applied, and the situation was fully discussed by the Board in the presence and with the assistance of a representative of the Bulgarian Government. The information communicated by the latter concerning the measures which his Government was adopting to combat the illicit traffic that certain people were seeking to establish in Bulgaria satisfied the Board that the Bulgarian Government was alive to the danger and was taking the necessary steps to meet the situation.

The general improvement in the situation as shown by the figures quoted above, and the results achieved in Turkey and Bulgaria, are unfortunately counterbalanced to a large extent by the situation in China. The licit import of narcotics into that country is negligible in amount, but an illicit stream has flowed into China, in immense volume, for many years from outside manufacturing countries. Now that this stream is beginning to dry up, factories of narcotic drugs are apparently springing up in China to fill the gap. The presence of foreign concessions, settlements and leased territories which are not under the control of the Chinese Government complicates a difficult situation. If a country produces large quantities of opium or coca leaves, and if narcotic drugs derived from these raw materials are manufactured in its territory, without the Government having effective control over this manufacture, there is always a possibility that that country will become a centre of the illicit traffic, in the sense of the Geneva Convention of 1925. Some of these
conditions exist in China, as they have existed and perhaps still exist in several other countries. The Board has given much thought to the matter and it has seemed to the Board that the time has not yet arrived when action under Articles 24 and 26 of the Geneva Convention could be taken. It hopes that the steps taken by the Advisory Committee in May 1933, largely on the initiative of the Chinese representative, will render any such action unnecessary in the future.

I have the honour to propose that the Council take note of the report submitted to it.