

ECONOMIC CONFERENCE AT GENEVA, SWITZERLAND,
MAY 4, 1927

FEBRUARY 9, 1927.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. COLE, from the Committee on Foreign Affairs, submitted the following

R E P O R T

[To accompany H. J. Res. 351]

The Committee on Foreign Affairs, to which was referred House Joint Resolution 351, "To provide for the expenses of the participation of the United States in the work of the economic conference to be held at Geneva, Switzerland," having had the same under consideration, reports thereon with the recommendation that the resolution do pass without amendment.

The passage of this resolution is recommended by the President of the United States, and the facts are fully set forth in the accompanying message of the President, as follows:

To the Congress of the United States:

The Government of the United States has been invited by the Council of the League of Nations to take part in the appointment of members of the Economic Conference which will meet at Geneva, Switzerland, on May 4, 1927. I transmit herewith a copy of the invitation dated December 22, 1926, together with a copy of Document C. E. I. 6 containing the report of November 19, 1926, made by the preparatory committee and the text of the resolution of the council of December 9, 1926. The agenda of the conference are annexed to the report of the preparatory committee.

The first part of the agenda relates to "the world economic position," and the second part to specified problems in the fields of "commerce," "industry," and "agriculture."

The nature of the conference is indicated in the following statement from the report adopted by the Council of the League of Nations on March 17, 1926, as quoted in the report of the preparatory committee:

The conference is not to be composed of responsible delegates invested with full powers for the conclusion of conventions; it is intended rather to organize

a general consultation in the course of which, as at the financial conference at Brussels, the various programs and doctrines may be freely exposed without the freedom of discussion being restricted by any immediate necessity to transform the conclusions of the conference into international engagements.

The invitation specifies that each country is to appoint not more than five members. These members "will not in any way bind their Governments and will not be qualified to act as spokesmen of an official policy." The members may be accompanied by experts who may attend the meetings, but without the right to speak or vote except with the special permission of the conference.

I consider it important that the Government of the United States participate in the appointment of members of this conference, not only in order that this Government may be adequately informed of discussions in their relation to American interests, but also in order that the American point of view may be duly presented and in the hope of contributing to the development of sound economic foundations of friendly intercourse and prosperity. The United States is taking its part in study of the problem of arms limitation at the invitation of the League of Nations. This country should also stand ready to aid in the study of means to promote economic progress.

This is not the occasion to discuss specific problems outlined in the agenda. It is sufficient to note that the conference contemplates an inquiry into important problems affecting American interests. This Government will have the benefit of its deliberations, but will not be bound by its results.

In order to defray expenses pertaining to American participation in the appointment of members of the Economic Conference, I recommend that there be authorized to be appropriated the sum of \$15,000 to be expended in the discretion of the Executive. In view of the prices prevailing at Geneva, it is important that expenditures for subsistence be exempted from the limitations imposed by existing law.

CALVIN COOLIDGE.

THE WHITE HOUSE,
Washington, February 5, 1927.

Société des Nations.

C. L. 153(e) 1926.11.

LEAGUE OF NATIONS,
Geneva, December 22, 1926.

The SECRETARY OF STATE,
Department of State, Washington, D. C.

SIR: I have the honor to inform you that at its meeting on December 9, 1926, the Council of the League of Nations decided to convene at Geneva on May 4, 1927, the International Economic Conference authorized by the sixth assembly.

The council further adopted the report on the agenda, the composition and rules of procedure of the conference submitted by the preparatory committee. The committee has therefore at its two sessions held at Geneva in April and November of the present year carried out the work entrusted to it by the council in its decision of December 14, 1925.

The committee's report, together with the council's resolutions giving effect thereto, are reproduced in the attached document C. E. I. 6. It constitutes the program of work for the conference to which the council has decided to invite all States members of the League of Nations, and also the United States of America, the Union of Socialist Soviet Republics, Egypt, Ecuador, Mexico, and Turkey.

In accordance with the council's instructions, I have therefore the honor to invite the United States Government to take its part in the appointment of the members of the conference in conformity with the council resolution and the preparatory committee's report.

Each country is invited to appoint not more than five members; experts may accompany them and also attend the proceedings of the conference, but will not have the right to speak or vote, except with the special permission of the conference.

The expenses of the members and experts will be borne by the respective Governments.

The members of the conference will be appointed by the Governments on the strength of their qualifications and personal capacity; they will not in any way bind their Governments and will not be qualified to act as spokesmen of an official policy.

In view of the complexity and character of the subjects included in the agenda, the council regards it as of great importance that the members of the conference should be selected in such a way as to insure that the conference as a whole shall represent a fair balance of the different interests involved. This was the result at which the council aimed in setting up the preparatory committee.

Any Government studying the composition of that committee will realize what varied qualifications its members possessed. As the conference itself will be larger than the committee, its members may be expected to show an even greater variety of qualifications.

I should be grateful if the United States Government would communicate to me by telegram, if possible, before the end of February, 1927, the names of the members it has chosen in conformity with the above indications.

I have the honor to be, sir,
Your obedient servant,

J. AVENOL,
Secretary General.

NOTE.—The documents enumerated in Annex B of the Report C. E. I. 6, herewith, are at present being revised. They will be forwarded to the States as and when published.

Meanwhile, in order to save loss of time, I have already addressed to your Government a series of provisional documents, as well as the documents mentioned in the secretary general's note. (See p. 5 of Document C. E. I. 6.)

C. E. I. 6

[League of Nations. Economic and financial section. International economic conference, Geneva, May, 1927. Agenda of the conference]

REPORT OF THE PREPARATORY COMMITTEE TO THE COUNCIL ON ITS SECOND AND LAST SESSION HELD AT GENEVA FROM NOVEMBER 15 TO 19, 1926, AND RESOLUTION ADOPTED BY THE COUNCIL ON DECEMBER 9, 1926

[Geneva, 1926. Publications of the League of Nations. II. Economic and financial 1926. II. 64]

I. NOTE BY THE SECRETARY-GENERAL

The proposal to hold an international economic conference was initiated by the resolution of the Assembly at its sixth ordinary session dated September 24th, 1925 (document A. 119. 1925. II).

The Council, on December 14th, 1925, constituted the Preparatory Committee, appointing M. GUSTAVE ADOR as President (see *Official Journal*, February 1926) and laid down the general lines on which the Committee was to work. Certain additions to the members were made by the Council's decision of March 17th, 1926 (see *Official Journal*, April 1926).

The first session of the Committee was held at Geneva from April 26th to May 1st, M. THEUNIS presiding in the absence through ill-health of M. Ador. At this session, of which a full report was at once published (document C. 270. M. 105. 1926. II), the Committee drew up a comprehensive scheme of documentary preparation, deferring till a later session the question of the composition, agenda and date of the conference.

The Council, sitting in special committee on June 8th, 1926, has considered this report, exchanged general views with regard to the future organisation of the conference, and appointed M. THEUNIS as President of the Preparatory Committee in the place of M. Ador, who had resigned on grounds of ill-health (see *Official Journal*, July 1926).

The conference was further discussed by the Assembly at its seventh ordinary session and the Second Committee in September 1926 (document A. 76. 1926. II).

The tasks of the Preparatory Committee at its second session, of which the report is here printed, were: (a) to review the work of documentary preparation already accomplished and make arrangements for its completion; (b) to make recommendations to the Council as to the agenda, composition and date of the conference.

The report hereafter contains the conclusions and recommendations of the Committee on all these points with the reasons and with explanations.

Annex A gives the agenda, and Annex B gives the scheme of documentary preparation.

There is also appended the closing speech of the President, in which he reviews the state of the preparation and the character of the work which remains to be done before the conference is held.

2. REPORT BY M. THEUNIS, PRESIDENT OF THE PREPARATORY COMMITTEE, ON THE WORK OF THE SECOND SESSION OF THE COMMITTEE

I have the honour to report to the Council that the Preparatory Committee for the International Economic Conference met for the second time at Geneva from November 15th to 19th.

Before proceeding to state the work accomplished during this session and the recommendations agreed upon for the future organisation of the conference, the Committee thinks it well to preface a few general remarks.

In the first place the Committee has borne in mind throughout that the economic conference must be regarded not as an isolated event but as a stage in the continuous work of international collaboration in the economic sphere which had begun before the project of a general conference was launched and will continue when the conference itself is over.

In the second place, the actual collaboration and discussion which has taken place during this last six months through the Preparatory Committee, consisting as it does of 35 persons of 21 nationalities, including industrialists, officials, economists, financiers, representatives of workers' and consumers' organisations, and agriculturists, and meeting both in full session and from time to time in smaller committees, has led to the exchange of views between persons of many diverse qualifications and countries, and, through them, with the interested classes and sections of opinion which they represent. This has, by helping to secure a suitable atmosphere for the conference, constituted at least as important a part of the work of preparation as the collection of information.

Lastly, as to the documentary preparation, the Committee is happy to report that it is well advanced. Three important documents have already been published; a great number of documents have been presented to the Committee at its present session, of which some will be published at once and others at intervals between now and the conference. Many of these documents are of great interest, and their publication will, the Committee is convinced, prove one of the most valuable results of the project for a conference. That this progress has been possible has been due to the whole-hearted collaboration of the Secretariat, the International Labour Office, the International Institute of Agriculture, the International Chamber of Commerce, various government departments, and special experts of high authority who have by invitation prepared studies on different questions; and also to the way in which a large number of industrial organisations of different countries have spared neither time nor trouble in furnishing contributions on their respective industries which are as remarkable for their wide range as for their precision.

The first task which the Committee undertook was to review this work of documentary preparation and to make the arrangements for its completion which are described in Annex B.

The Committee also considered the three questions on which the Council had asked its advice, as to: (a) the Agenda of the economic conference; (b) its composition; (c) the date of its meeting. It decided to make the following recommendations to the Council.

I. AGENDA

The general scope of the agenda is indicated in the resolution of the sixth ordinary session of the Assembly, which, after expressing the conviction that "economic peace will largely contribute to security among the nations," proclaimed "the necessity of investigating the economic difficulties which stand in the way of the revival of general prosperity and of ascertaining the best means of overcoming these difficulties and of preventing disputes." The Agenda had therefore to take account of the two objects contemplated by the Assembly: the prosperity and the peace of the world so far as they can be assisted by international discussion and collaboration.

In the second place, the Committee has had to bear in mind that the agenda of a general economic conference must clearly be such as to allow on the one hand general discussion on the principal features in the world economic situation, and, on the other hand, more concentrated discussion on those special international questions on which practical results may be hoped for.

It is indeed the duty of the Committee, as explained in the report adopted by the Council, to "consider in what domains the economic difficulties which are at present experienced are international in character, and to discover the points in respect of which practical solutions might be contemplated."

With these considerations in mind the Committee recommends the agenda set out in Annex A.

This agenda, as will be seen, is in two parts. The first is general; the second includes three specific groups of questions on which international discussion at the conference with a view to practical action seems most likely to be useful.

The Committee thinks that it may be well to add the following explanatory comment.

The agenda as a whole is in the form of a few main headings, so as to give a clear and simple picture of the range of the proposed discussions, and does not set out in detail the questions covered.

For example, the Committee contemplates that the analysis of the causes of disequilibrium mentioned in the part first of the agenda will cover discussions on such questions as the relative impoverishment of Europe and its effect on industry, commerce and agriculture; the instability of the exchange value or purchasing power of currencies; and the inadequacy or high cost of capital, resulting from insufficient savings.

So, too, the heading as to the causes of the present difficulties in industry would naturally cover such questions as the abnormal increase of equipment in certain industries, the increase of cost prices resulting from the insufficiency and irregularity of demand and the difficulties of adaptation to post-war conditions.

It will be observed that financial questions have not been added as a special group. The reason is that finance, while affecting the whole economic situation, is not, as at Brussels, the primary purpose of the conference; it claims a place bearing upon economic problems. It has also been thought inopportune to include the question of population as a separate item. Like finance, it will be taken into account as a factor always present in the whole industrial, commercial and agricultural situation.

With reference to the sub-heading in the general part of the agenda, "Principal features and problems as seen from the point of view of different countries," the Committee suggests that members who desire to make statements under this heading should be invited to send them in writing to the Secretariat of the League some time before the conference; this would at once shorten and render more valuable the discussion of the general questions raised in this part of the agenda.

There are two classes of questions to which the Committee has given special prominence because of their intrinsic importance and the public interest in them at the present time. The valuable report of the International Chamber of Commerce, and the consultations in many countries of which it is the fruit, are among the many indications of the interest which attaches to problems of commercial and tariff policy. And, secondly, to take a more limited sphere, recent discussions have shown the great public interest in the proposals for international industrial agreements.

Lastly, the Committee would remark that some of the difficulties which are referred to in the agenda are to a peculiar extent difficulties, in the first instance, of Europe. The Committee presumes therefore that attention will be given in discussing such questions to the special features in the European situation. The most important questions on the agenda are, however, clearly of world importance.

2. COMPOSITION OF THE CONFERENCE

The Committee recommends the following scheme: the members of the conference should be appointed by Governments, but they should be chosen for their personal qualifications and should not be spokesmen of official policy.

All Member States of the League, and all non-Member States occupying a position of importance in the economic life of the world, should be invited to select members. The expenses of the members should be borne by the Governments.

In view of the complexity and character of the subjects included in the agenda, it is desirable that the qualifications of the members of the conference should be sufficiently varied, and that, taking the conference as a whole, there should be a due proportion among them.

The invitations to each State should be to send members up to a maximum of five; experts might, of course, accompany them and also attend but would not have the right of speech or vote, except on the special authorisation of the conference.

The Committee observes that at the Brussels Conference the Council made certain appointments, under conditions defined by it, in addition to the members appointed by the Governments. The Committee recommends that the Council should also reserve the right, in the present instance, to make a limited number of additional appointments before the conference takes place, either directly or through appropriate organisations.

The Committee recommends that only questions of procedure should be settled by a majority vote, and that in other cases decisions should not be taken by voting, resolutions being passed unanimously when possible and in other cases the names of members in favour of a resolution being recorded. This would seem in conformity with the

fundamental character of the conference, which is described as follows in the report adopted by the Council on March 17th, 1926:

"The conference is not to be composed of responsible delegates invested with full powers for the conclusion of conventions; it is intended rather to organise a *general consultation* in the course of which, as at the Financial Conference at Brussels, the various programmes and doctrines may be freely exposed without the freedom of discussion being restricted by any immediate necessity to transform the conclusions of the conference into international engagements".

It may be remarked that none of the resolutions of the Brussels Conference was taken by a majority vote.

3. DATE OF CONFERENCE

The last Assembly disclosed a general desire that the conference should be held at the earliest practicable date.

The progress made in financial stabilisation and the general change in the economic position have created conditions which, in the view of the Committee, make the spring of next year a suitable time for the meeting of the conference.

The documentary preparation is also sufficiently advanced to make this practicable, and the Committee attaches great importance to material collected not being allowed to get out of date.

The Committee therefore recommends May next, and, in view of other international arrangements, would prefer Wednesday, May 4th, as the actual date.

(Signed) G. THEUNIS.

GENEVA, November 19th, 1926.

ANNEX A. AGENDA OF THE CONFERENCE

First Part

THE WORLD ECONOMIC POSITION

Principal features and problems as seen from the point of view of different countries.

Analysis of economic causes of the present disturbed equilibrium in commerce and industry.

Economic tendencies capable of affecting the peace of the world.

Second Part

I. COMMERCE

1. Liberty of trading:

- (a) Import and export prohibitions and restrictions.
- (b) Limitation, regulation or monopolisation of trade.
- (c) Economic and fiscal treatment of nationals and companies of one country admitted to settle in the territory of another.

2. Customs tariffs and commercial treaties.
Obstacles to international trade arising from:
 - (a) Form, level and instability of import and export tariffs.
 - (b) Customs nomenclature and classification.
3. Indirect methods of protecting national commerce and shipping.
 - (a) Subsidies, direct or indirect.
 - (b) Dumping, and anti-dumping legislation.
 - (c) Discrimination arising from the conditions of transport.
 - (d) Fiscal measures discriminating against foreign imported goods.
4. Repercussion upon international commerce of reduced purchasing power.

II. INDUSTRY

1. Situation of principal industries (productive capacity, output, consumption and employment).
2. Nature of present difficulties in industry; their industrial, commercial and monetary causes.
3. Possibilities of action:
 - (a) Organisation of production, including, in particular, international industrial agreements, considered from the point of view of production, of the consumer and of labour; their legal position; their connection with Customs problems.
 - (b) Importance of collection and prompt exchange of statistical information with regard to industrial production.

III. AGRICULTURE

1. The present position of agriculture compared with pre-war conditions, in respect of production, consumption, stocks, prices and free circulation of agricultural products.
2. Causes of present difficulties.
3. Possibilities of international action:
 - (a) Development of, and international collaboration between, producers' and consumers' organisations, including systems of co-operative organisation.
 - (b) Continuous exchange of all relevant information concerning agricultural conditions, scientific and technical research, agricultural credit, etc.
 - (c) Development of the purchasing power of agricultural producers.

ANNEX B. DOCUMENTATION

The Committee decides that the documents set out in List I below should be prepared for the purposes of the conference and recommends that they should be distributed to the invited States.

Certain of these documents have already been published and can be sent out together with the letter of invitation; the great majority are available in a provisional form. The Committee recommends that these provisional documents should be despatched at an early date to countries far distant from the seat of the League with a note indicating clearly that they are subject to subsequent modification both as to substance and to form.

In the course of its work the Committee has collected a considerable volume of documentation in order to enable it to determine "in what domains the economic difficulties which are at present experienced are international in character." The documentation includes certain monographs prepared on the special request of the Committee by individual experts. The Committee recommends that such monographs (see List II) should be published under the name and responsibility of their individual authors before the conference meets.

The Co-ordination of Documentation Committee shall be responsible for any further decisions necessary as to the system under which the issue of documents shall take place and as to the prior verification which may be necessary. It will be the responsibility of the respective members of the Committee to decide in what cases and to what extent consultation with any other members of the Preparatory Committee is desirable before they assent to the preparation or publication of any given documents.

List I

FIRST PART

The World Economic Position.

- (a) *Memorandum on Production and Trade.*
- (b) *Memorandum on the Balance of Payments and Foreign Trade Balances, 1911-25.*
- (c) *Memorandum on Currency and Central Banks, 1913-25.*
- (d) *Memorandum on Public Finance.*
- (e) Report of the Committee on Trade Barriers of the International Chamber of Commerce.

SECOND PART

I. *Commerce.*

- (a) Commentary and preliminary draft agreement for the suppression of import and export prohibitions and restrictions drawn up by the Economic Committee to serve as a basis for an international diplomatic conference.
- (b) Memorandum on regulation of quantities of imports and exports admitted.
- (c) System of maximum and minimum prices for exports.
- (d) Dependence of trade on control of foreign exchange.
- (e) Customs nomenclature and classification.
- (f) Memorandum on level of tariffs, with observations thereon.
- (g) Methods of assessment for application of *ad valorem* duties in 43 countries.
- (h) Export duties.
- (i) Variations in tariffs in accordance with the origin of goods, the place whence they come, their destination, or the frontiers or places through which importation or exportation takes place.
- (j) Memorandum on commercial agreements.
- (k) Immunities of commercial or transport undertakings controlled by the State.

I. *Commerce*.—Continued.

- (l) Differential taxes on circulation, consumption or handling of foreign imported goods.
- (m) Discrimination in the conditions of transport.
- (n) Flag discriminations.
- (o) Short note on certain forms of direct and indirect subsidies.
- (p) Foreign legislation for the prevention of dumping, with special reference to exchange dumping.
- (q) Unfair commercial practices.
- (r) Excessive consular charges.
- (s) Marks of origin.

II. *Industry*.

- (a) Memorandum on coal.
- (b) Memorandum on iron and steel.
- (c) Memorandum on cotton.
- (d) Memorandum on shipbuilding.
- (e) Memorandum on chemical industry.
- (f) Memorandum on electrical engineering.
- (g) Memorandum on silk.
- (h) Memoranda on other special industries that may be approved by the Co-ordination of Documentation Committee.
- (i) Summary memorandum on various industries.
- (j) Summary of national legislation with reference to cartels and combines.
- (k) Memorandum on rationalisation and standardisation of industry and technical and scientific progress and research.
- (l) Technical education and recruitment of technical staff.

III. *Agriculture*.

- (a) Agricultural problems in their international aspect.
- (b) Relation of labour cost to total costs of agricultural production.
- (c) The part played by co-operative organisations in the international trade in wheat and dairy produce, together with the results of certain enquiries into the relative costs of distribution.

DOCUMENTS RELEVANT TO ALL PARTS OF THE PROGRAMME

- (a) *Statistical Year-Book*.
- (b) *Monthly Bulletin of Statistics*.
- (c) Memorandum on the Economic Work of the League of Nations.
- (d) Natural movement of population during the first quarter of the twentieth century.
- (e) Artificial movements of population. Emigration in its various forms, permanent and temporary.
- (f) Population density in relation to cultivated area, natural resources on the surface and underground.
- (g) Standard of living of the workers in various countries.
- (h) Legislation concerning movement of labour and migration.
- (i) Guide to conference documents.

List II

MEMORANDA PREPARED FOR THE PREPARATORY COMMITTEE THE PUBLICATION OF WHICH IS AUTHORIZED

- (a) Estimates of working population of certain countries in 1931 and 1941 (Professor Bowley, D. Sc., F. B. H).
- (b) Methods of economic *rapprochement* (Professor Grossmann).
- (c) Memorandum on dumping (Professor J. Viner).
- (d) Cartels and combines (Professor Wiedendorf).
- (e) Stability of Customs tariff (J. Brunet).
- (f) Further special memoranda which may be arranged by Co-ordination of Documentation Committee.

3. CLOSING SPEECH BY M. THEUNIS, PRESIDENT OF THE COMMITTEE

You have to-day finished the work entrusted to you by the Council of the League of Nations. It has been a heavy and difficult task. The extent and the number of the problems raised by the existing disequilibrium of the world are such that the work before us has somewhat appalled even those who entrusted it to us; some have even thought, despite our efforts to restrict it, that it was unduly heavy and difficult.

We have, however, succeeded in noting down certain important questions, endeavouring in particular to include those which appeared to call for international action, which come within the scope of the League of Nations.

Thanks to your conscientious and untiring work and to the spirit of co-operation which has reigned throughout our meetings both in the commissions and in plenary sessions, we have succeeded in bringing a certain amount of order and clearness into the problem as a whole which our successors, the members of the International Economic Conference, will have to study further in order to arrive at a solution.

We ourselves are quite well aware that the programme which has been the outcome of our work is not perfect as it stands.

I think, however, we are entitled to regard the work which we have done in common as a useful work and as presumably fruitful work.

Other attempts have been made previously to analyse the existing economic difficulties and to seek for remedies.

We are acquainted with those attempts. The conclusions which were reached deserve to be considered with the greatest attention; but those studies were undertaken by persons belonging to circles confined to some particular sphere of activity or to groups the members of which were men in the same circumstances and whose immediate interests were closely allied.

Inevitably such a position reacted on the programme drawn up by those organisations.

The distinguishing feature of the work undertaken by the League of Nations is the entirely different composition of the Committee entrusted with the drafting of the programme of the economic conference and the proposed composition of the conference itself. The League of Nations desired to lend a general character to the conclusions which would be reached, and, with that end in view, brought together members belonging to all circles.

Thus, owing to its composition, the Preparatory Committee has brought together, and the forthcoming conference will bring together, economists, producers, traders, representatives of finance, labour and the consumers themselves, the members coming from all parts of the world.

This variety of interests and of origin will lend to the work which the conference will do a very special value.

The political work of pacification undertaken by the League of Nations would not be comprehensible without simultaneous work in the economic field—a field which is closely connected with it.

Too many people still think that the political field and the economic field are entirely different. This is a profound and dangerous error, for every important economic question is by that very fact a political question. The work of political peace and disarmament should go hand in hand with economic peace and disarmament.

The initiative of the League of Nations has come in response to an appeal—an appeal not yet distinctly voiced—but an anxious appeal of all those who are concerned with the progress of humanity. For economic progress has not only material importance; it has also a moral value. It makes possible the development of the people towards more humane considerations. Work is a duty of mankind, but it should also be its joy, whether the work is intellectual or manual. The two are closely connected, so closely connected that it is almost impossible to consider them apart.

This situation, furthermore, adds one further element to the undeniable interdependence of peoples, which has been more and more fully realised, and which, on a larger scale, is comparable to the equally undeniable interdependence of all men, of all circles, and of all interests within each nation.

If in our present session we have succeeded in framing a document which is already precise, our work is not yet finished. If the economic conference is to succeed, then, as was pointed out yesterday, we must have a considerable amount of support from the public opinion of all countries, and that is one of the essential requirements for the future effectiveness of the work. I am well aware that there is a certain amount of scepticism with regard to the possible results, and therefore, if our proposals are to have an appeal, we must above all dispel the widespread misconception that we think that the utility of the conference will be confined to the results which can be immediately and completely put into practice.

We should not hide the immense size of the task from anyone, for we quite understand its scope and are aware that it is indispensable to proceed by successive stages.

I may recall that the Brussels Financial Conference was undoubtedly of the greatest possible value, since it brought a certain amount of order into ideas and marked out the road along which the nations have been able to travel.

And yet several months—several years in fact—elapsed after that conference, and still in certain countries there was a certain amount of hesitation with regard to its findings.

With the passing of time, however, the good sense and practical value of the conclusions adopted were fully realised.

The economic conference will also be able to achieve excellent results which will become more and more appreciable as time goes on.

But we do not deceive ourselves into the belief that they will be easier to obtain. The resolutions, the remedies and the findings of the Brussels Conference were obviously of an internal character and were hardly more than a common programme for national measures. Those of the economic conference will probably be entirely different. No doubt they may run counter to certain habits and to certain private interests—or, rather, to the false ideas entertained by certain circles as to their own interests—and will require temporary sacrifices.

Once we are back in our homes and back in the familiar circumstances of our work, we should continue the task begun at Geneva by a steady effort of propaganda and persuasion. It is necessary that not only what we have done but what we hope may be done should be realised. It is essential that the spirit of friendly co-operation should be spread. That is absolutely necessary.

During the conversations, not only conversations dealing with questions on a lofty plane but also in everyday conversations in the various circles which are represented here, it very often happens that economic difficulties are the subject of discussion.

The industrialists and the farmer complain of the increased cost of production and of their inability to recoup themselves in their sale price. The trader complains of the difficulties of all kinds which he encounters in transporting his goods and in bringing them on to the markets where they should normally be sold. All complain of the financial difficulties of all kinds and of the unstable condition of the exchanges which makes them all willy-nilly speculators.

The consumer, finally, who represents the great mass, complains about all these difficulties, which in his case result in what is known as the high cost of living. It is to all these that we have to address ourselves untiringly, in order to persuade them that there is something to be done to alleviate their troubles.

An important result would be obtained if we succeeded in convincing these people that, apart from remedies which can be applied by private initiative, and apart from the initiative of national Governments, something should and can be attempted. This international work is of capital importance, because the organisation of the modern world is such that the measures taken by individuals, like those taken by Governments, are inadequate unless they are amplified and supplemented by international co-operation.

That international co-operation will alone bring a remedy to the economic anarchy in which we live, and which, if we allow it to develop, can only lead to the worst possible results.

If the propaganda of which I have just outlined one of the forms reaches the various circles which are, if I may so describe it, to be converted, then we can look forward to very good results. If, here, there and everywhere, we develop a public opinion favourable to international co-operation, the Governments concerned will be obliged to take account of that fact.

They will feel themselves supported and encouraged, and consequently sufficiently strong to thrust aside, if necessary, certain private interests, interests possibly ill-understood by the parties themselves, and therefore they will be in a better position effectively to apply the resolutions and to apply the remedies and improvements which will be recommended by the forthcoming economic conference.

The work which we have before us may seem to certain people unduly extensive and even Utopian.

But what is certainly not Utopian, what is a living and comforting reality, is the conscientious, thoughtful and friendly common work of so many members of various nationalities and occupations which has been carried out in this Committee.

This effort will have to be prosecuted.

And if in our personal spheres of action we encounter certain difficulties, certain resistances, and if our efforts for the dissemination of ideas seem to us somewhat isolated, let us remember that, beyond the frontiers and in other countries, there are friends—because we have all become friends, I think—who are co-operating in the same work.

The work of economic pacification will be long and will proceed by slow stages, but the aim to be achieved is worthy of our best efforts.

It will no doubt not be our generation which will gather in the fruits of all our efforts, but in the life of peoples a few years hardly count. For those who are working for a high ideal, the greatest recompense is to be able to feel that they have brought a worthy contribution to the collective work of humanity.

4. LIST OF MEMBERS OF THE PREPARATORY COMMITTEE PRESENT AT THE SECOND SESSION ¹

CHAIRMAN

H. E. M. Georges Theunis (Belgian), Minister of State, Senator; 2, rue des Deux-Eglises, Brussels (Belgium).

MEMBERS

Sir Arthur Balfour (British), Chairman of the Committee on Trade and Industry; Capital Steel Works, Sheffield (England).

M. Ernesto Belloni (Italian), Member of the Italian Parliament, Manufacturer; Via San Vittore, 18, Milan (Italy).

H. E. M. Francisco de A. Cambo (Spanish), Chairman of the Board of Directors of the Compania Hispano Americana de Electricidad; 30, Via Layetana, Barcelona (Spain).

H. E. M. Affonso da Costa (Portuguese), former Prime Minister, former Minister of Finance, late Professor of Economics; Hôtel Vernet, rue Vernet, Paris.

Sir Atul Chandra Chatterjee (Indian), High Commissioner for India in London; 42, Grosvenor Gardens, London, S. W. 1. Replaced at the Second Session by Mr. H. A. F. Lindsay, Indian Trade Commissioner; 42, Grosvenor Gardens, London, S. W. 1.

M. Léopold Dubois (Swiss), Member of the Financial Committee of the League of Nations; President of the Société de Banque Suisse, Bâle (Switzerland).

M. W. Eggert (German), Member of the Committee of the Confederation of German Trade Unions; Inselstrasse, 6, Berlin, S. 14 (Germany).

¹ For the list of members present at the first session of the Committee, see document C. 270. M. 105, 1926. II.

Mme. Emmy Freundlich (Austrian), Member of the Austrian Parliament, President of the International Co-operative Women's Committee; Ebendorferstrasse, 7, Vienna, I. (Austria).

Dr. Arthur Witter Gilbert (American), Commissioner of Agriculture of Massachusetts; State House, Boston, Mass. (U. S. A.).

M. Hipolit Gliwic (Polish), Former Minister of Industry and Commerce; Lekarska, 19, Warsaw (Poland).

Dr. F. Hodac (Czechoslovak), Secretary-General of the Czechoslovak Manufacturers' National Association; Masarykovo n., 4, Prague, I (Czechoslovakia).

M. Léon Jouhaux (French), Secretary-General of the Confédération générale du Travail de France; 211, rue Lafayette, Paris.

M. A. G. Kröller (Dutch), Member of the Economic Committee in the Ministry of Foreign Affairs; Lange Voorhout, 3, The Hague (Netherlands).

Dr. Clemens Lammers (German), Member of the Reichstag; Neue Grolmannstrasse, 5/6, Berlin-Charlottenburg (Germany).

Mr. W. T. Layton (British), Editor of the Economist; 32, Arthur Road, Wimbledon, London, S. W.

M. Bogdan Markovitch (Serbian), Director-General of the Agricultural Credit Institution of the Kingdom of the Serbs, Croats and Slovenes; Ouprava Fondova, Belgrade, Knezev Spomenik (Kingdom of the Serbs, Croats and Slovenes).

M. Kengo Mori (Japanese), Japanese Government Financial Agent in London; 7, Bishopsgate, London, E. C. 2. Replaced at the Second Session by M. Matsuzo Nagai, Japanese Minister in Sweden; Stockholm.

M. Anders Orne (Swedish), Postmaster-General, Member of the Executive Committee of the International Co-operative Alliance; Borgsgatan, 16 B, 5 tr. Stockholm, II (Sweden).

M. Jan Oudegeest (Dutch), Secretary-General of the International Federation of Trade Unions; Tesselschadestraat, 31, Amsterdam (Netherlands).

M. Henri Pauwels (Belgian), Assistant Secretary of the International Federation of Christian Unions, Secretary-General of the Belgian Federation of Christian Unions; 13, Avenue de la Renaissance, Brussels (Belgium).

M. Henri de Peyerimhoff de Fontenelle (French), President of the Committee of French Mine-Owners; 16 rue Séguier, Paris.

Dr. Alberto Pirelli (Italian), Member of the Economic Committee of the League of Nations; Via Carlini, 1, Milan (Italy). Replaced at the Second Session by M. di Nola, Director-General at the Ministry of Commerce, Rome.

Mr. A. Pugh (British), President of the General Council of the Trades Union Congress; 32, Eccleston Square, London, W. C. 1.

H. E. M. Armando Quezada (Chilian), Chilian Minister in Paris; 23, avenue du Bois de Boulogne, Paris.

M. Felix Salazar (Colombian), Director of the Bank of the Republic; Bogota (Colombia). Replaced at the Second Session by M. Esteban Jaramillo Bogota (Colombia).

M. Naotake Sato (Japanese), Japanese Minister in Poland, a. b. s. du Bureau japonais auprès de la Société des Nations; 24, rue Greuze Paris (XVI°).

M. D. Serruys (French), Director of the Commercial Agreements Department in the Ministry of Commerce; 101, rue de Grenelle, Paris.

Dr. Adam Shortt (Canadian), C. M. G., LL. D., F. R. S. C., lately Commissioner of the Civil Service of Canada, formerly Professor of Economics, Queen's University, Chairman of Board of Historical Documents (Economic and Political); Board of Historical Publications, 5, Marlborough Avenue, Ottawa (Canada).

Sir Hubert Llewellyn Smith (British), G. C. B., Member of the Economic Committee of the League of Nations, Economic Adviser to the British Government; 5, The Grove, Highgate, London, N. 6.

H. E. M. de Stefani (Italian), Professor of Economics at the University of Rome, Member of the Italian Parliament; Via degli Astalli, Rome (Italy). Replaced at the Second Session by M. Guarneri, Director-General of the Association of Italian Joint Stock Companies; Via Cesare Battisti, 121, Rome.

Dr. Ernst Trendelenburg (German), Under-Secretary of State at the Ministry of National Economy; 34, Viktoriastrasse, Berlin, W. 9 (Germany).

Professor Allyn Young (American), Professor of Economics at Harvard University; Department of Economics, Cambridge, Mass. (U. S. A.). Replaced at the Second Session by Mr. T. W. Page, formerly Professor of Economics in the University of Virginia, late Chairman of the United States Tariff Commission, Director of the Institute of Economics in Washington; 26, Jackson Place, Washington, D. C. (U. S. A.).

Also assisted at the meetings of the Sub-Committee on Agricultural Questions:

Dr. A. Hermes (German), Former Minister of the Reich; Königin Luisenstrasse, 17, Berlin-Dahlem (Germany).

M. Jules Gautier (French), Councillor of State, Former President of the Confédération des Associations agricoles; 6, rue Oudinot, Paris (VII^e).

REPORT BY M. STRESEMANN AND RESOLUTION

(Adopted by the Council on December 9th, 1926)

The Committee lays before you to-day its final proposals regarding the composition, programme and date of the International Economic Conference, which the 1925 Assembly decided to convene.

Its President, M. Theunis, is here to give you any explanations on the subject which you may think necessary.

The Preparatory Committee's report is simple and concise. There is no need for me to comment on it at length.

In dealing with the work entrusted to it by the Council in December 1925, the Preparatory Committee felt that it should proceed methodically and with caution by dividing its work into two main stages.

The first, the results of which are set forth in the report on the First Session, was a kind of reconnaissance of the field of operations. A preliminary draft programme comprising a large number of questions was outlined, and extensive documentary information has been collected on that basis.

With this information in hand, the Committee proceeded with the second part of its work, which consisted in singling out the essential questions in order to define as accurately as possible the ground to be covered by the Conference in its discussions. The result of this final revision is set forth in the report which the Committee is submitting to us to-day, accompanied by a programme which, whilst allowing for general discussion of the existing economic situation, tends to direct the Conference's attention to a thorough examination of a certain number of questions which would appear to be suitable for solution on international lines.

The division of the programme into general questions, commerce, industry and agriculture meets this twofold requirement, which is again reflected in the subdivisions of each of the four main categories.

In order fully to appreciate the significance of this very concise programme, reference should be made to the documentary information which will accompany it.

The documents in question are objective in character. They aim at giving a brief analysis of the actual conditions which are at the root of the problems referred to in the programme.

These documents, as they will be submitted to the Conference after a final revision, will form a remarkable body of information, both in volume and also in the variety and accuracy of the data. It is perhaps the first time that so large a group of qualified experts connected with the most varied branches of economic activity and belonging to many different countries have worked in common, and they have furnished the Conference with a sound basis of discussion, and with an almost complete picture of the existing economic position.

As regards the composition of the Conference, the Committee, following the precedent of the Brussels Conference, recommends that members be appointed by Governments on the strength of their personal qualifications, it being understood that they are to be independent and should not be the spokesmen of an official policy. The maximum number of members per country is fixed at five. Their expenses are to be defrayed by the Governments.

It would be desirable to recommend countries to select these members in such a way as to ensure, in the Conference as a whole, a fair balance of expert knowledge of various kinds and of the different interests involved.

You will doubtless agree to the Preparatory Committee's suggestion that invitations should be sent both to States Members of the League and to non-Member States which play an important part in the economic life of the world.

Finally, I think it would be desirable that the Council should reserve the right to issue a limited number of supplementary invitations at some later date. It can take such action when it has been able to judge, from the replies of the Governments, whether the composition of the Conference is as evenly balanced as it considers necessary.

It does not seem that any useful purpose would be served by mentioning the other detailed measures recommended by the Committee. The latter's report is very clear on this point, and the Council need only make it operative by giving its general approval.

Before proposing a resolution, I desire on your behalf to thank all the members of the Preparatory Committee, as well as all the administrative bodies, organisations and individuals who have co-operated

with it, and especially to tender an expression of heartfelt thanks to M. Theunis, an ideal President, possessing the rare virtue of combining constant good temper with invariable firmness, who has contributed very greatly towards carrying this extensive preparatory work to a successful conclusion.

The Council can not better express its appreciation of the extremely valuable work of M. Theunis than by asking him to accept the Presidency of the Conference itself.

The text of the resolution, which I have the honour to propose, is as follows:

The Council,

Takes note of M. Theunis' report on the work of the second and last session of the Preparatory Committee for the Economic Conference;

Tenders its thanks to the President, M. Theunis, and to the members of the Preparatory Committee, to the International Labour Office, to the International Institute of Agriculture, to the International Chamber of Commerce, and to the other organisations and individuals who have assisted in the work of preparing for the Economic Conference;

Approves the Preparatory Committee's proposals, in particular those regarding the composition, rules of procedure, programme and date of the future Conference;

Decides to convene the International Economic Conference to meet at Geneva, the seat of the League of Nations, on May 4th, 1927, and accordingly to issue invitations, in the conditions laid down in the Committee's report, to all the States Members of the League of Nations, as well as to the United States of America, the Union of Socialistic Soviet Republics, Turkey, Mexico, Ecuador and Egypt;

Reserves the right to issue, if need be, at its next session, a limited number of supplementary invitations;

Instructs the Secretary-General to take such action as may be necessary to carry this resolution into effect.



with it, and especially to render an expression of heartfelt thanks to the Emperor, in view of his personal assistance in the preparation of the Constitution. The Emperor's reply was that he was glad to hear that the members of the Constituent Assembly were so satisfied with the work of the Emperor's Commission, and that they were so satisfied with the work of the Emperor's Commission, and that they were so satisfied with the work of the Emperor's Commission.

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