

# LEAGUE *of* NATIONS

Vol. III, No. 5

October, 1920

## Report of the International Financial Conference

Published Bimonthly by the  
**WORLD PEACE FOUNDATION**  
40 Mt. Vernon Street, Boston  
Price, 25 cents per year

# World Peace Foundation

Boston, Massachusetts.

\*FOUNDED IN 1910 BY EDWIN GINN.



The corporation is constituted for the purpose of educating the people of all nations to a full knowledge of the waste and destructiveness of war, its evil effects on present social conditions and on the well-being of future generations, and to promote international justice and the brotherhood of man; and, generally, by every practical means to promote peace and good will among all mankind.—*By-laws of the Corporation.*

It is to this patient and thorough work of education, through the school, the college, the church, the press, the pamphlet and the book, that the World Peace Foundation addresses itself.—Edwin Ginn.

The idea of force can not at once be eradicated. It is useless to believe that the nations can be persuaded to disband their present armies and dismantle their present navies, trusting in each other or in the Hague Tribunal to settle any possible differences between them, unless, first, some substitute for the existing forces is provided and demonstrated by experience to be adequate to protect the rights, dignity and territory of the respective nations. My own belief is that the idea which underlies the movement for the Hague Court can be developed so that the nations can be persuaded each to contribute a small percentage of their military forces at sea and on land to form an *International Guard or Police Force.*—Edwin Ginn.

\*Incorporated under the laws of Massachusetts, July 12, 1910, as the International School of Peace. Name changed to World Peace Foundation, December 22, 1910.

## A LEAGUE OF NATIONS

Published Bimonthly by

WORLD PEACE FOUNDATION  
40 MT. VERNON STREET, BOSTON, MASS.

The subscription price is 25c. per year in advance, or \$1.00 for five years.  
Prices in quantities on application.

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*The Supreme Council of the Allied Powers in its pronouncement on March 8 declared that armies should everywhere be reduced to a peace footing, that armaments should be limited to the lowest possible figure compatible with national security and that the League of Nations should be invited to consider, as soon as possible, proposals to this end. The statements presented to the Conference show that, on an average, some 20 per cent of the national expenditure is still being devoted to the maintenance of armaments and the preparations for war. The Conference desires to affirm with the utmost emphasis that the world cannot afford this expenditure. Only by a frank policy of mutual co-operation can the nations hope to regain their old prosperity; and in order to secure that result the whole resources of each country must be devoted to strictly productive purposes.*

*The Conference accordingly recommends most earnestly to the Council of the League of Nations the desirability of conferring at once with the several Governments concerned, with a view to securing a general and agreed reduction of the crushing burden which, on their existing scale, armaments still impose on the impoverished peoples of the world, sapping their resources and imperiling their recovery from the ravages of war. The Conference hopes that the Assembly of the League which is about to meet will take energetic action to this end.—*

**RESOLUTION IV, COMMITTEE ON PUBLIC FINANCE.**

# INTERNATIONAL FINANCIAL CONFERENCE

## INTRODUCTION

The International Financial Conference was held at Brussels from September 24 to October 8, 1920, under the auspices of the League of Nations.<sup>1</sup>

For the first time in six years the 39 more important nations of the world met about a common table. Not only the most important of the states members of the League attended but also the United States, which has not yet ratified the Peace Treaty, Finland, Luxemburg, Esthonia, Latvia and Lithuania, who can not be admitted to membership in the League before the Assembly Meeting in November, and Germany, Austria, Hungary and Bulgaria.

The Conference was originally fixed for an earlier date, but was postponed when the Spa Conference between the Supreme Council of the Allies and Germany left over the settlement of the sum of Germany's indebtedness and the method of payment. The Council of the League decided at its San Sebastian session that in any event the financial conference should definitely take place as there was much work to be done irrespective of that involved by the German indemnity, so that if by September 24, the Supreme Council of the Allies were not in a position to be able to communicate the result of negotiations between the Allies and Germany, the conference would nevertheless proceed with its other work.

The task fell into three parts:

1.—To obtain as complete a picture as possible of the situation of the world and by comparison of the situation in the various countries to make it possible to form a judgment as to the importance and difficulty of the problems with which they respectively are faced. It is essential, if future action is to be placed upon a firm basis of fact, that this survey should include a definite understanding of the external obligations of all the late belligerent Powers.

2.—By an interchange of opinion and experience to assist each

<sup>1</sup> For the circumstances leading up to the convening of the conference, see *Three Months of the League of Nations* (*League of Nations*, III, Nos. 1-2), p. 71-86.

country to arrive at the soundest possible policy for dealing with the difficulties revealed in the survey and to insure that such national policies are not antagonistic.

3.—To discuss and formulate a scheme or schemes to meet those difficulties where national action needs to be supplemented by international agreement.

Certain features marked the conference as most unusual.

The conference was necessary, not only because of the desperate financial and economic situation of the world, but because of the insistence of the former neutral Powers.

Questions still under negotiation between the Allied and Associated Powers and the ex-enemy powers were not discussed. This prohibition applied especially to the question of the total amount of German reparations.

Though summoned by the League, states not members of the League participated on equal terms with states in the League. They had full rights of speaking, of voting and of holding office, and were in no way distinguished from League members. M. Ador, former President of Switzerland, was chosen as presiding officer, because, being a man who has risen to the highest post in a neutral country, he was obviously well-equipped for the rôle of chairman and was certain to give all parties a hearing.

The conference was so constituted as to draw forth, not so much the views of Governments, as the best economic and financial opinion of the world. Consequently, each national delegation was planned to consist of a high government official, a leading banker, and a man in commerce acquainted with the practical side of the economic situation in his country. The members of each national delegation voted not as a national group but as individuals. This led to the registration of the best world opinion regardless of national lines, and tended, instead of accentuating differences in national viewpoints, to create a world judgment on the various problems presented.

The conference opened with a 15-minute statement by each nation as to its financial situation in regard to the budget, the internal and external debt, currency and exchange. The appalling character of this bird's-eye view of the financial straits of civilization is graphically portrayed in the accompanying report.

Decisions arrived at were merely recommendations to the various Governments and without binding force unless ratified by the national authorities. The conference thus avoided the danger of assuming a power which few Governments would be willing to give it. But the recommendations, coming from a world meeting, can not fail to command the respectful attention of both public and private financiers.

A great mass of data and information on economic and financial subjects was brought together. This was embodied in 14 pamphlets—besides several other publications—circulated to the Governments, to various exports, and to the press. They formed the starting point of the conference discussions.

*First and foremost the world needs peace. The Conference affirms most emphatically that the first condition for the world's recovery is the restoration of real peace, the conclusion of the wars which are still being waged and the assured maintenance of peace for the future. The continuance of the atmosphere of war and of preparations for war is fatal to the development of that mutual trust which is essential to the resumption of normal trading relations.*

*The world must resolve the rivalries and animosities which have been the inevitable legacy of the struggle by which Europe has been torn. This the Conference ventures to hope is no vain aspiration. The fact that for the first time since 1914 representatives of belligerents and neutrals alike have met in conference is a good omen for the future. The world needs the inauguration of a new era of co-operation and good will between nations if it is to repair the destruction of those years of struggle, if indeed it is ever to secure the survival of its civilization.—*  
**REPORT OF THE CONFERENCE.**



# REPORT OF THE INTERNATIONAL FINANCIAL CONFERENCE<sup>1</sup>

In accordance with arrangements made by the Council of the League of Nations the International Financial Conference met at Brussels on Friday, September 24, 1920, in the Chamber of Deputies, which was generously placed at its disposal by the Belgian Government and the President of the Chamber.

The discussions of the Conference, which sat until October 8, have been governed by the Resolution passed by the Council of the League in February, 1920:

“The League of Nations shall convene an International Conference with a view to studying the financial crisis and looking for the means of remedying and of mitigating the dangerous consequences arising from it,”  
and by the further instruction approved by the Council on August 5, 1920, to the effect that—

“none of the questions which are the subject of the present negotiations between the Allies and Germany should be discussed at the Conference.”

The Members of the Conference, 86 in number, while appointed by their several Governments, attended as experts and not as spokesmen of official policy. They were drawn from those with both private and official experience, and the conditions of their appointment permitted them to give the Conference the full benefit of their knowledge and to express their personal opinions with freedom. The Members so attending represented the following 39 countries:

<sup>1</sup>Reprinted from International Financial Conference. Provisional Verbatim Record, afternoon session, No. 17, Friday, October 8, 1920, p. 199-208.

Argentine	*Germany	Poland
*Armenia	Greece	Portugal
Australia	Guatemala	Rumania
*Austria	Holland	Serb-Croat-Slovene State
Belgium	*Hungary	South Africa
Brazil	India	Spain
*Bulgaria	Italy	Sweden
Canada	Japan	Switzerland
China	*Latvia	United Kingdom
Czecho-Slovakia	*Lithuania	*United States of America
Denmark	*Luxemburg	Uruguay
*Esthonia	New Zealand	
*Finland	Norway	
France	Peru	

A list of the Delegates and of their advisers is appended to this Report.

## I. REVIEW OF THE SITUATION

Some of the financial ills from which the world is suffering are common to all nations. But the severity of the malady and the effects which it has produced on the body politic have varied immensely in proportion to the degree in which each nation has been immersed in the maelstrom of the war. In order, therefore, to get a complete and balanced picture of the situation, the Conference first devoted itself to hearing an exposition of the financial situation of each of the 39 countries represented. These statements constitute Volume III of this report.<sup>1</sup>

Certain of the belligerent countries of Europe (Belgium, Bulgaria, France, Germany, Great Britain, Greece, Italy and Portugal), unable to cover the expenses of the war from their national current revenue, find their balance sheet burdened with an enormous volume of both internal and external debt, the amount of the latter being still undetermined in the case of Ger-

\*Not a member of the League of Nations.

<sup>1</sup>Not printed herewith. The statements made by the representatives of various countries have been summarized in Review of the Foreign Press: The Economic Review, as follows: Germany, October 8, 1920, p. 488-489; Czecho-Slovakia, Holland, Spain, Switzerland, Esthonia, Finland, Latvia and Poland, October 15, p. 506-508; France and Denmark, October 22, p. 528-529.

many. The total external debt of the European belligerents converted into dollars at par amounts to about \$155,000,000,000 compared with about \$17,000,000,000 in 1913, which, even when full allowance is made for the depreciation of money, represents a tremendous burden in proportion to the total national income of the belligerent countries. The external debt, amounting to about \$11,000,000,000 due to the United States, to 1,750,000,000 pounds sterling due to Great Britain, presents an even more difficult financial problem because in nearly every case it is payable in a currency which is less depreciated than that of the country concerned.

The Government expenditure of these belligerent countries has increased in proportions which vary between 500 and 1500 per cent, the present figures amounting to between 20 and 40 per cent of the total national income. The higher of these percentages represents the expenditure of France, which includes in her budget a very large sum for the restoration of her devastated provinces.

In all cases vigorous efforts have been made to introduce an orderly fiscal system into state finance by the imposition of fresh taxation—mostly in the form of direct taxes, and the ordinary revenues are in most cases now equal to or not far short of the ordinary expenditure. But except in the case of Great Britain, there is still a very large gap between the total income and expenditure.

These countries together have lost a very large proportion of their pre-war holdings of gold and have enormously increased their paper currencies. This process of inflation, which has been reduced by Great Britain and checked by France, still continues in other countries. Except in the case of Germany and her allies, whose imports were prevented by the blockade, all these countries have during the war had an enormous excess of imports over exports. This excess increased in some cases after the Armistice, but is now diminishing. Indeed in almost every case there is now a perceptible growth of exports.

During the war the exchanges of these countries did not reflect their real economic position, as artificial measures were in most cases taken to stabilize them; but the exchanges rapidly deteriorated when these measures were given up in 1919. This

depreciation continued for twelve months. Since the spring of this year there have been appreciable variations, but on the balance the net movement has been toward improvement.

As a result of the war a number of new states have been created, while certain existing states, some of which were belligerents, have had their territories profoundly modified. Among these are Austria, Czecho-Slovakia, Esthonia, Finland, Hungary, Latvia, Lithuania, Poland, Rumania and Serbia. For none of these countries, except Finland, is there a definite basis of comparison. All of them have received as a legacy of the war extremely depreciated currencies. In most cases the machinery of an orderly state revenue system is not yet in operation, and with enormous expenditure upon food relief, armaments, and in some cases actual war, there is no sign yet of any possibility of a budget equilibrium. In many of these countries the printing press is still in operation. On the other hand several of them are predominantly agricultural. Their productive powers may recover rapidly, and a single good harvest—especially with the present high price of food—is likely to strengthen both their financial and their economic position. In the case of Austria, whose economic life has been more completely disintegrated than elsewhere, the situation is peculiarly difficult.

In the countries of Europe which were neutral during the War, including Denmark, Sweden, Holland, Luxemburg, Norway, Spain and Switzerland, the position is essentially different; but the financial difficulties are also serious. In some cases heavy expenditure was incurred by these countries directly in consequence of the War and they have had largely to increase their internal debt. But in most cases the budget difficulties are due to the growth of Government expenditure caused by the rise of prices and the provision of subsidies to prevent this rise pressing too heavily on the general population. This expenditure has in some cases been met by increased taxation, but in the case of Holland, Switzerland and Spain there are considerable deficits and in the two latter cases no equilibrium is yet in sight. The trade position of these countries also presents peculiar difficulties. During the War their trade balances were very favorable owing to the demand for their products from the belligerent nations and the stoppage of their imports. The result was an accumulation

of gold which led to an expansion of currency and a rise of prices almost as serious as that which for entirely different reasons took place in the belligerent countries. Since the War, the trade situation has been reversed, as these countries have been importing the goods required to replenish stocks and, owing in part to the premium to which their exchanges have risen, as compared with the depreciated currencies of the belligerent nations, the maintenance of their exports has become difficult. To some extent therefore the favorable factors in the situation of these countries are actually an embarrassment.

The countries outside Europe have on the whole the most favorable economic position. Though special conditions affect certain of them, especially China, in general it may be said that they have benefited by the ready disposal of their products to the nations of Europe. Their trade balances have been very favorable and their exchanges have improved relatively to those of European countries. They have in many cases been able to pay off a large proportion of their external debts and, on the other hand, have made large loans to their former creditors. This is particularly the case with the United States, to whom most of the countries of Europe are now heavily indebted. But as in the case of European neutrals, their accumulation of gold has led to a rise in prices and has rendered more difficult the maintenance of their exports. Their future economic position, therefore, is vitally dependent on the restoration of the purchasing power of their European customers. It must also be kept in view that many of these countries, especially in the new hemisphere, have immense unfulfilled demands for capital expenditure, and the world-wide shortage of capital at the present time constitutes a serious handicap to their development.

It is noteworthy, however, that, different as are the conditions in these different groups of countries, certain features are common to practically every country of the world as a consequence of the destruction and dislocation of the War. In every country the purchasing power of the national currency has diminished, and the cost of living in terms of that currency has increased. With few exceptions, neutral as well as belligerent countries suspended the gold basis of their currency. Even where the gold basis has been retained, the purchasing value of the currency has

declined, for the value of gold itself in terms of commodities has diminished to about one-half.

In every country international trade has been impeded, dislocated and diverted from its normal channels. The inability of Europe to export during the War forced the normal purchasers of her goods to look elsewhere for their requirements to develop production in unaccustomed channels at home or in other countries overseas. Simultaneously Europe's need for imports compelled the sale of her capital holdings abroad, which are not therefore now available for her present needs. The instability and depreciation of exchanges resulting from these and other causes have impeded the trade of both seller and buyer. Countries with unfavorable exchanges have found it difficult to buy raw materials and those with favorable exchanges have found in them an obstacle to the sale of their exports. With half the world producing less than it consumes and having insufficient exports to pay for its imports, credits alone can bridge the gulf between seller and buyer, and credits are rendered difficult by the very causes which make them necessary. Finally, every country finds impediments to its international trade in the new economic barriers which have been imposed during and since the war.

## II. THE LIMITS OF FINANCIAL REMEDIES

Such, in the briefest outline, is the economic and financial condition of the world which was presented to the Conference in vivid detail by the Reports from the 39 countries attending it.

The Members of the Conference were conscious that, limited to the sphere of finance both by their terms of reference and their personal qualifications, they could only deal with a part of the problem which faced the Governments and the peoples of the world.

Finance is, after all, only a reflection of commercial and economic life, a part only, though an essential part, of its mechanism. The wealth of the world consists of the products of man's work, and the sum total of human prosperity can be increased only by an increase of production. All that any official or organized action can do is to create conditions which are favorable to production, and of those the most important fall outside the sphere of finance.

First and foremost the world needs peace. The Conference affirms most emphatically that the first condition for the world's recovery is the restoration of real peace, the conclusion of the wars which are still being waged and the assured maintenance of peace for the future. The continuance of the atmosphere of war and of preparations for war is fatal to the development of that mutual trust which is essential to the resumption of normal trading relations.

The world must resolve the rivalries and animosities which have been the inevitable legacy of the struggle by which Europe has been torn. This the Conference ventures to hope is no vain aspiration. The fact that for the first time since 1914 representatives of belligerents and neutrals alike have met in conference is a good omen for the future. The world needs the inauguration of a new era of co-operation and good will between nations if it is to repair the destruction of those years of struggle, if indeed it is ever to secure the survival of its civilization.

If the first condition of recovery is peace between the countries of the world, the next is peace within each of them and the establishment of conditions which will allay the social unrest that is at present impeding and reducing production, and which will restore social content and with it the will and the desire to work.

Among the conditions, however, which are essential if a maximum production is to be attained is the existence of a system which facilitates the exchange of commodities and their equitable distribution, and within this third sphere lies the task of finance and the especial problems which the Conference has had to consider.

### III. RECOMMENDATIONS OF THE CONFERENCE

The Conference divided the work involved in the examination of these problems into four parts and intrusted special commissions of its Members with the task of making a detailed study and preparing specific recommendations with regard to (a) public finance, and (b) currency and exchange, (c) international trade and commerce, and (d) international action with special reference to credits.

The recommendations of these Committees which have been unanimously approved by the Conference are given in full at

the end of this Report and they require to be considered as a whole with the detailed arguments on which they are based.

The substance of these recommendations may be summarized as follows:

### *General Financial Considerations*

The first step is to bring public opinion in every country to realize the essential facts of the situation and particularly the need of re-establishing public finances on a sound basis as a preliminary to the execution of those social reforms which the world demands.

Nearly every Government is being pressed to incur fresh expenditure—largely on palliatives which aggravate the very evils against which they are directed. The country which accepts the policy of budget deficits is treading the slippery path which leads to general ruin; to escape from that path no sacrifice is too great.

The statements presented to the Conference, show that on an average, some 20 per cent of the national expenditure is still being devoted to the maintenance of armaments and to preparations for war. The Conference desires to affirm with the utmost emphasis that the world can not afford this expenditure. Only by a frank policy of mutual co-operation can the nations hope to regain their old prosperity, and to secure that result the whole resources of each country must be devoted to strictly productive purposes. The Conference accordingly recommends most earnestly to the Council of the League of Nations the desirability of conferring at once with the several Governments concerned, with a view to securing a general and agreed reduction of the crushing burden which, on their existing scale, armaments still impose on the impoverished people of the world, sapping their resources and imperiling their recovery from the ravages of war. The Conference hopes that the Assembly of the League which is about to meet will take energetic action to this end.

It is also of the greatest importance that every Government should abandon at the earliest practicable date all uneconomical and artificial measures which conceal from the people the true economic situation.

To enable Governments, however, to give effect to the prin-



principles of sound finance all classes of the community must contribute their share. Industry must be so organized as to encourage the maximum production on the part both of capital and of labor, as by such production alone will those improved conditions of life be obtained which it is the aim of every country to secure for its people. All classes of the population and particularly the wealthy, must be prepared willingly to accept the charges necessary to remedy the present situation. Above all, to fill up the gap between the supply of and the demand for commodities, it is the duty of every patriotic citizen to practice the strictest possible economy and so to contribute his maximum effort to the common weal. Such private action is the indispensable basis for the fiscal measures required to restore public finances.

The Conference moreover strongly indorses the declaration of the Supreme Council of the 8th March last "that the states which have been created or enlarged as the result of the war should at once re-establish full and friendly co-operation and arrange for the unrestricted interchange of commodities in order that the essential unity of European economic life may not be impaired by the erection of artificial economic barriers." Each country should aim at the progressive restoration of that freedom of commerce which prevailed before the war, including the withdrawal of artificial restrictions on, and discriminations of, price against external trade.

#### *Revenue and Expenditure*

Where it is impossible to keep expenditure within the limits of existing revenue fresh taxation must be imposed to meet the deficit, and this process must be ruthlessly continued until the revenue is at least sufficient to meet the full amount of the recurrent ordinary expenditure. The relative advantages of the various possible methods of taxation depend on the special economic conditions obtaining in each country, and each country must decide for itself on the methods best suited to its own internal economy.

In future the loans which are required for urgent capital purposes must be met out of the real savings of the people. But these savings have as it were been pledged for many years ahead by the credits created during the war, and the first step to raising

fresh money must be to fund the undigested floating obligations with which the markets are burdened.

### *Cessation of Inflation*

It is of the utmost importance that the growth of "inflation" should be stopped. It should be clearly understood that this artificial and unrestrained expansion of the currency does not and can not add to the total real purchasing power in existence so that its effect must be to reduce the purchasing power of each unit of the currency. Inflation is in fact an unscientific and ill-adjusted method of taxation.

The effect of it has been to intensify, in terms of the inflated currencies, the general rise in prices, so that a greater amount of such currency is needed to procure the accustomed supplies of goods and services. Where this additional currency was procured by further "inflation" (i. e., by printing more paper money or creating fresh credit) there arose what has been called a "vicious spiral" of constantly rising prices and wages, and constantly increasing inflation with the resulting disorganization of all business, dislocation of the exchange, a progressive increase in the cost of living and consequent labor unrest.

It is highly desirable that the countries which have lapsed from an effective gold standard should return thereto. It is impossible to say how or when all the older countries would be able to return to their former measure of effective gold standard or how long it would take the newly formed countries to establish such a standard. But in the opinion of the Conference it is useless to attempt to fix the ratio of existing fiduciary currencies to their normal gold value. Unless the condition of the country concerned was sufficiently favorable to make the fixing of such a ratio unnecessary, it could not be maintained.

The reversion to, or establishment of, an effective gold standard by any means other than devaluation would in many cases demand enormous deflation, and it is certain that such deflation, if and when undertaken, must be carried out gradually and with great caution, otherwise the disturbance to trade and credit might prove disastrous.

The Conference does not recommend any attempt to stabilize the value of gold and gravely doubts whether any such attempt

could succeed. It believes that neither an international currency nor an International Unit of Account would serve any useful purpose or remove any of the difficulties from which international exchange suffers to-day.

#### *Central Banks of Issue*

The Conference is of opinion that in countries where there is no central bank of issue, one should be established, and if the assistance of foreign capital were required for the promotion of such a bank, some form of international control might be necessary.

Attempts to limit fluctuations in exchange by imposing artificial control on exchange operations are futile and mischievous. In so far as they are effective they falsify the market, tend to remove natural correctives to such fluctuations and interfere with free dealings in forward exchange which are so necessary to enable traders to eliminate from their calculations a margin to cover the risks of exchange, which would otherwise contribute to the rise in prices.

#### *External Credits*

The Conference recognizes, however, that any general improvement in the situation requires a considerable period of time, and that in present circumstances it is not possible for certain countries to restore their economic activity without assistance from abroad. This assistance is required for periods which exceed the normal term of commercial operations.

This assistance, however, can only be effectively accorded to countries which are prepared to co-operate with one another in the restoration of economic life and to make every effort to bring about within their own frontiers the sincere collaboration of all groups of citizens and to secure conditions which give to work and thrift liberty to produce their full results.

The Conference does not believe that, apart from the particular decisions dictated by national interests or by considerations of humanity, credits should be accorded directly by Governments.

#### *New Credit Organization*

The Conference makes the following recommendations. An international organization should be formed and placed at

the disposal of states desiring to have resort to credit for the purpose of paying for their essential imports. These states would then notify the assets which they are prepared to pledge as security for the sake of obtaining these credits and would come to an understanding with the international organization as to the conditions under which these assets would be administered.

The bonds issued against this guaranty would be used as collateral for credits intended to cover the cost of commodities.

A plan, the details of which are set out in the Annex<sup>1</sup> to this report, is unanimously recommended by the Conference, which considers that a committee of financiers and business men should be nominated forthwith by the Council of the League of Nations for the purpose of defining the measures necessary to give practical effect to this proposal

#### *Export Credit Insurance*

An extension on international lines of the existing system of export credit insurance would also in many instances be of great value in developing trade with countries where the uncertainty of political and social conditions give rise to a lack of confidence. The Conference believes that an extension of this system is worthy of consideration, and that it should be further examined in detail by experts.

#### *Finishing Credits*

The attention of the Conference has also been called to the present system of "finishing credits," that is to say of credits under which a lien in favor of the exporter or a banker is maintained on the raw material in all its different stages and upon the proceeds of the manufactured article.

The Council of the League is recommended to draw the attention of the different Governments to this question and to summon an advisory body of legal experts and business men to specify the legislative action needed to attain the desired object in each of the countries concerned.

#### *Miscellaneous Proposals*

Apart from the above-mentioned proposals, the Conference believes that the activities of the League might usefully be directed

<sup>1</sup>Printed herewith, p. 242 *f*.

toward promoting certain reforms, and collecting the relevant information required to facilitate credit operations. In this connection the Conference considers it well to draw attention to the advantages of making progress under each of the following heads:

Unification of the laws relating to bills of exchange and bills of lading.

The reciprocal treatment of the branches of foreign banks in different countries.

The publication of financial information in a clear comparative form.

The examination of claims by the holders of bonds, the interest on which is in arrear.

An international understanding on the subject of lost, stolen or destroyed securities.

The establishment of an international clearing house.

An international understanding which, while insuring the due payment by everyone of his full share of taxation, would avoid the imposition of double taxation which is at present an obstacle to the placing of investments abroad.

It will be seen that these recommendations involve both internal action by the several Governments and also international co-operation. For the measures taken in their respective countries the several Governments are and must of course remain responsible, though on certain questions the Conference has ventured respectfully to tender to them its advice.

The Conference is unanimous, however, in believing that national action is not by itself sufficient. International co-operation, of which the Conference itself is the first effort and example, must continue and develop and in this the League of Nations must take the initiative. The specific recommendations now made, such as the proposal to form a new International Credits Organization, are only instances of the measures of international co-operation which require to be elaborated in more detail.

The work of the present Conference has been a commencement only. It will be necessary to follow up the diagnosis now arrived at by a systematic study of the comparative progress made in the solution of the present difficulties and by continued collaboration in devising new proposals to meet new circum-

stances as they develop. For this purpose and for the work of a continuous character which each of the Commissions has recommended within its own sphere, a permanent organization will be necessary, and it may be desirable for the Conference itself to meet again at a later date.

In this connection, the terms of reference of the present Conference were, as already stated, limited by the Council of the League. The Conference has never sought to overstep the limits which the Council of the League of Nations set to the scope of its deliberations. It, however, feels justified in associating itself with the hope expressed by M. Léon Bourgeois in his report to the Council of April 5 last, to the effect that the economic uncertainty which besets alike the countries which are entitled to receive and the countries which are under an obligation to pay reparation claims may speedily be removed, since the settlement of this question is indispensable not only for the reconstruction of the countries devastated by the war—a matter of capital importance to the re-establishment of Europe's economic equilibrium—but also for the recovery of the states on whom the burden of this reparation lies.

#### IV. THE UNANIMOUS CHARACTER OF THE RECOMMENDATIONS

Some of the recommendations of the Conference may appear axiomatic in character rather than original contributions to the financial problem of the world. Their adoption, however, would mean a fundamental change in the policies of the great majority of European countries. It may, for example, seem almost a platitude to say that it is essential that Governments should meet their ordinary current expenditure out of their ordinary current revenue, and that, if they do not do so, the inflation and an increased cost of living are inevitable. In nearly three out of four of the countries represented at the Conference, however, and in nearly eleven out of twelve of European countries, budgets do not at present balance and many of them show no prospect of doing so in the near future. In these circumstances the recommendations made collectively and unanimously by the Conference may perhaps claim a special force and significance.

The Members of the Conference venture to call special attention to the way in which, selected by the Governments of 39 countries representing about 75 per cent of the population of the world, they have been able through this fortnight's discussion to arrive at a general agreement as to the main features of the world's economic and financial position, and some at least of the most important measures urgently required for its restoration. They therefore have been able to give to their suggestions the force of collective and unanimous recommendations.

Whatever may be the future of our positive proposals, the Conference can not have been in vain. It has been a gathering unique in the history of the world. It has not been a gathering of statesmen, working at the solution of political difficulties in the interest of their particular countries: it has been a gathering of experts from all nations working for the solution of the common problem of the whole world. Such differences and divergencies of view as may have existed were brought to the common stock, and all alike have benefited by the interchange of views which resulted. As the work of the Conference and its Commissions proceeded, there developed a spirit of close and intimate co-operation such as might scarcely have been thought possible. That co-operation is in itself a factor of the utmost importance. Each country has had the opportunity of presenting to the rest of the world its special difficulties, its particular anxieties, and all have contributed toward finding a solution.

THE PRESIDENT (speaking in French).—*Interpreter*.—Gentlemen, I do not think it is necessary to have this report read in English. If you will kindly accept it as it is, it will be circulated in English.

(Carried unanimously.)

THE PRESIDENT (speaking in French).—*Interpreter*.—Gentlemen, before bringing this Conference officially to a close, I deem it my duty to congratulate you more particularly on the excellent spirit which has informed your deliberations, as well as the extremely cordial and courteous character of our relations. A generous breath of liberalism, of international help and union has inspired your resolutions. Wise financiers and economists as you were, drawing your experience from the daily practice of

business, you have understood that only in a world of peace and order, only through strenuous work and the intensified output of all workers, can the world hope to emerge from the painful crisis which it is at present undergoing. When back in your respective countries, you will certainly uphold the principles of economic restoration which you have declared to be both urgent and indispensable. I am clearly conscious that this Conference is an almost unprecedented event, the actual importance of which we can not perhaps realize at present. It is a fruitful seed that will grow and spring up and is sure to bear a plentiful harvest. The League of Nations will find, in the numerous documents laid before it in your resolutions, information which will be particularly valuable. With its ever-growing moral authority, the League will thus be able to point out to the Governments and the peoples of the world the path they are to tread if they want to succeed in their financial and economic restoration. By penetrating every day more deeply into the life of the peoples, the League will steadily acquire a greater measure of that legitimate authority and influence which it should possess. This Conference, moreover, will have served as an auspicious preface to the work of the General Meeting which is to be held at Geneva. Allow me, first of all, to tender again to our distinguished Vice-Presidents our grateful thanks for the share they have had in your labors, and for the manner in which they have presided over the discussions of their respective commissions. I also thank the Committees of the Conference, together with the members of the Committees who have examined the reports of the states which have been submitted to the Conference.

M. Delacroix, Prime Minister of Belgium, speaking with the full authority which attaches to his person, M. Carneiro of Brazil, M. Coromilas of Greece, and M. ter Meulen of Holland, kindly sent in concrete schemes which have been largely taken into account by the Commission, and which will be annexed to the General Report. These gentlemen, will, I hope, permit me to thank them again for their valuable co-operation. I must not allow the opportunity to go by without specially thanking the Secretariat General of the League of Nations, and the members of its staff, from its eminent Directors down to the most modest typist. They have all spared no trouble in order to fulfil loyally



their daily work. The rapidity with which the documents and reports were prepared and reproduced greatly facilitated the progress of the discussions. . . .

M. DELACROIX, Belgium, (speaking in French).—*Interpreter*.—Gentlemen, I hope you will bestow on me the honor of allowing me to express the gratitude of this Conference to our President. Let me be the interpreter of our feelings of thanks and admiration for the masterly way in which our President has presided over the business of this meeting. It would have been impossible to do it better than our President has done it. By his clearness, by his courtesy, and at the same time by his firmness, he has been able to bring the vast program with which we have had to deal to a happy conclusion. I believe I will fulfil the wishes of the President himself if I associate in my expression of thanks also the Bureau of the Secretary-General of the League of Nations. It was the League of Nations which had the initiative of calling together this important Conference. Eighteen months after peace was concluded we find here 39 states coming together in order to lay the foundation for the future prosperity of their economic lives. A great thought has been realized. The masterly way and the rapidity with which the documents were prepared, translated and circulated, of which the President has already spoken, has also been the object of our admiration. The good functioning of this organization shows that there is vitality in the League of Nations. This first attempt shows the hand of the master. As the President said, the results of this Conference may not at once be tangible to everybody, but surely we all have good faith in the result of the future, and we know that the final result will be fruitful. We started by finding out what was the nature and the gravity of the wound, and as soon as we were able to understand its nature it became easier to find the remedy. As was the case with many people who suffered great wounds in the war, it is not always easy for the sick person to find in himself all the energy and all the possibilities of reaction. It is necessary that he should not stand alone in his efforts to recover. . . .

## INTERNATIONAL CREDITS<sup>1</sup>

The following resolutions of the Committee on International Credits were carried unanimously on October 7:

VI. The Committee does not believe that, apart from particular decisions dictated by national interests or by considerations of humanity, credits should be accorded directly by Governments.

VII. It appears to the Committee that one of the chief obstacles to the granting of credits is the absence in borrowing countries of sufficient security for ultimate repayment. The Committee therefore studied with attention, in the light of the general considerations enumerated above, all the proposals presented with a view to creating guaranties which would provide satisfactory security for exporters.

The Committee has been forced to recognize that no single system could by itself suffice to provide for the many different needs of the various countries, and that it is necessary to indicate a series of measures sufficiently elastic to be adapted afterward to every variety of circumstances.

For these reasons the Committee decided to make the following recommendations:

VIII. An international organization should be formed and placed at the disposal of states desiring to have resort to credit for the purpose of paying for their essential imports. These states would then notify the assets which they are prepared to pledge as security for the sake of obtaining credit, and would come to an understanding with the international organization as to the conditions under which these assets would be administered.

The bonds issued against this guaranty would be used as collateral for credits intended to cover the cost of commodities.

A plan based upon these principles is developed in Annex A. It has been devised to enable states to facilitate the obtaining of commercial credits by their nationals. It is easy to see that the scheme is susceptible of development in various directions, and that some of its provisions might be adapted so as to facilitate the extension of credit direct to public corporations.

<sup>1</sup>Reprinted from International Financial Conference. Provisional Verbatim Record, afternoon session, No. 16, Thursday, October 7, 1920, p. 189, 190-192.

A committee of financiers and business men should be nominated forthwith by the Council of the League of Nations for the purpose of defining the measures necessary to give practical effect to this proposal.

IX. It has been represented to the Committee that more complete results might be achieved if the bonds used as collateral were to carry some international guaranty.

The Committee sees no objection to the further consideration of this proposal. The Committee referred to in paragraph VII above might usefully consider the conditions under which it could be applied.

## ANNEX A

### *International Organization for Financing Essential Imports*

1. In order that impoverished nations, which under present circumstances are unable to obtain accommodation on reasonable terms in the open market, may be able to command the confidence necessary to attract funds for the financing of their essential imports, an international commission shall be constituted under the auspices of the League of Nations.

2. The commission shall consist of bankers and business men of international repute, appointed by the Council of the League of Nations.<sup>1</sup>

3. The commission shall have the power to appoint sub-commissions and to devolve upon them the exercise of its authority in participating countries or in groups of participating countries.

4. The Governments of countries desiring to participate shall notify to the commission what specific assets they are prepared to assign as security for commercial credits to be granted by the nationals of exporting countries.

5. The commission, after examination of these assets, shall of its own authority determine the gold value of the credits which it would approve against the security of these assets.

6. The participating Government shall then be authorized to prepare bonds to the gold value approved by the commission,

<sup>1</sup>The commission was appointed in accordance with the recommendation at its Geneva meeting, November 14, 1920.

each in one specific currency to be determined on the issue of the bond.

7. The date of maturity and the rate of interest to be borne by these bonds shall be determined by the participating Government in agreement with the commission.

8. The service of these bonds shall be secured out of the revenue of the assigned assets.

9. The assigned assets shall in the first instance be administered by the participating Government or by the international commission as that commission may in each case determine.

10. The commission shall at any time have the right of making direct representations to the Council of the League of Nations as to the desirability of transferring the administration of the assigned assets either from the commission to the participating Government or from the participating Government to the commission.

11. The decision of the Council of the League of Nations on this question shall be binding.

12. After the preparation of these bonds the participating Government shall have the right to loan the bonds to its own nationals, for use by them as collateral security for importations.

13. The bonds shall be made out in such currencies and in such denominations as are applicable to the particular transaction in respect of which they are issued.

14. The participating Government shall be free to take or not to take security for the loan of these bonds from the nationals to whom they are lent.

15. The maturity and the rate of interest of the loan of the bonds shall be fixed by agreement between the participating Government and the borrower of the bonds; they need not be the same as the maturity and the rate of interest of the bonds themselves.

16. When making application to his Government for a loan of these bonds, the importer must furnish proof that he has previously obtained from the international commission express permission to enter into the transaction for which the bonds are to be given as collateral.

17. Each bond, before it is handed over by the participating

Government to the importer, shall be countersigned by the commission in proof of registration.

18. Having obtained the consent of the commission and received from them the countersigned bonds, the importer will pledge these bonds to the exporter in a foreign country for the period of the transaction.

19. The exporter will return to him on their due dates the coupons of the pledged bonds, and the bonds themselves on the completion of the transaction.

20. On receipt of the coupons and the bonds respectively, the importer will return them to his Government.

21. Bonds returned to the participating Government shall be canceled and may subsequently be replaced by other bonds, either in the same or in a different currency, up to an equivalent amount.

22. The exporter, or if he has pledged the bonds, the institution with which he has repledged them acting on his behalf, would be free, in the event of the importer not fulfilling the terms of his contract, to hold until maturity the bonds given as collateral by the importer, or to sell them in accordance with the custom in his country in case of default.

23. In the second alternative an option of repurchasing the bonds direct must first be given for a short period to the Government which issued them.

24. If a sale is resorted to and results in a surplus beyond what is necessary to cover the claims of the exporter upon the importer, the exporter shall be held accountable for that surplus to the Government which issues the bonds.

25. The revenues from the assigned assets shall be applied as follows to the service of the bonds.

26. Out of these revenues, the commission or the participating Government, as the case may be, shall purchase foreign currencies sufficient to meet at their due date the coupons on all bonds any time outstanding in the different foreign currencies.

27. In addition they shall establish abroad in the appropriate currencies a sinking fund calculated to redeem at maturity 10% of the bonds outstanding in each of the different countries.

28. Further, in addition to the amounts provided for payment of coupons and for the endowment of the sinking fund, they shall establish out of the assigned revenues a special reserve in one or more foreign currencies for the redemption of bonds sold in accordance with par. 22.

29. The amount to be set aside for the special reserve shall in each case be determined by the commission.

30. Any surplus remaining at the end of each year after the provision of these services shall be at the free disposal of the participating Government.

31. A participating Government shall have the right to offer its own bonds as collateral for credits obtained for the purpose of importations on Government account. The previous assent of the commission will in these cases also be required for the particular importations desired by the participating Government.

32. If a participating Government which has been in control of its assigned revenues should fail to fulfil its obligations, the exporter concerned will notify the commission and the commission will apply to the Council of the League of Nations for the transfer of the management of the assigned revenues to the commission.

33. The consent of the commission is necessary whenever bonds secured on the assigned assets are given as collateral and shall as a rule be accorded only for the import of raw materials and primary necessities.

34. The commission may, however, at its discretion, sanction in advance the importation of specified quantities of such goods.

35. Even in the case of imports under such a general sanction a notification of the particular transaction must be registered with the commission.

36. The assent of the commission must also be obtained in every case to the term of the credit which it is proposed to open.

## RECOMMENDATION FOR PERMANENT FINANCIAL AND ECONOMIC ORGANIZATION

**THE PRESIDENT** (speaking in French).—*Interpreter.*—Gentlemen, You may have noticed that all the concluding remarks of the four Committees had the same direction, that is to say, to ask the League of Nations to set up a permanent organization which would continue the work and the investigations which have been inaugurated here. I desire to inform you that the President received yesterday from M. Lambros Coromilas a suggestion which tended exactly in the same direction. M. Coromilas expressly formulated the idea and gave it a definite form. It was my duty to submit this suggestion to the Organizing Committee at its meeting this morning, and the Organizing Committee sent M. Coromilas the following letter:

**To M. COROMILAS.**—The Organizing Committee, at its Session this morning, has taken note of the draft resolution which you have been kind enough to transmit to them in your letter of October 5th with reference to the establishment by the League of Nations of a permanent financial and economic organization. The Organizing Committee of the Conference has considered with deep interest the suggestions contained in your draft resolution: and they are glad to note that the same idea which inspires you, that is to say to see a permanent organization continue the work of collaboration which has been begun by this Conference, is to be found at the same time in the resolutions set forth by the four great Commissions of the Conference, each of which has expressed the wish that a permanent body should continue the work which has been begun here. Your draft resolution, therefore, is in perfect harmony, as far as its principle is concerned, with the various resolutions proposed by the several Commissions to this effect: it offers special interest, thanks to the practical suggestion of organization which you have introduced in your scheme. These suggestions seem to me to be particularly useful to the Council of the League of Nations in its discussions. It does not, however, seem to be possible for the Conference here to come to a decision on the exact and detailed method to be followed in setting up the organization which we are going to ask the Council of the League of Nations to set up. In fact, it does not come within our province to fix for the League of Na-

tions the minor conditions under which it will have to set up this body, in regard to which it will have to take account of the rules which are imposed upon the Council by the Covenant and its general regulations. I therefore intend, while forwarding to the Council of the League of Nations the resolutions passed by the Conference, to hand in your draft Resolution, and thus to help, thanks to your suggestion, in the study which is going to be undertaken on this question by the Council of the League of Nations.

M. Coromilas was kind enough to accept this procedure, and I thank him for doing so. He may feel assured that his suggestion, in the very form in which it was laid down, will be handed on to the Council of the League of Nations, with the recommendation that the greatest account shall be taken of it.



## APPENDIX I

### MEMBERS OF THE DELEGATIONS TO THE INTERNATIONAL FINANCIAL CONFERENCE, BRUSSELS, SEPT. 24—OCT. 8, 1920

*Argentine*—Delegates of the Government: Alberto Blancas, Argentine minister to Belgium, and Carlos A. Tornquist, of Messrs. Tornquist & Co.; adviser: Dr. Alejandro E. Shaw; secretary: A. C. Buenano.

*Armenia*—Mr. Bouniatian and Roubene Berberian.

*Australia*—Delegates of the Government: J. R. Collins, C.M.G., permanent secretary of the Treasury; secretary: H. A. Peterson.

*Austria*—Delegates of the Government: Dr. Reisch, secretary of state for finance, Dr. Schueller, assistant under-secretary of the Austrian Foreign Office, and Dr. Simon.

*Belgium*—Delegates of the Government: M. Delacroix, prime minister and minister of finance, Paul Hymans, minister of foreign affairs, and Col. Theunis, Belgian delegate to the Reparation Commission; adviser: O. Lepreux; secretary: M. Plisnier, chef du cabinet of the ministry of economic affairs.

*Brazil*—Delegate of the Government: Julio Barboza Carneiro, commercial attaché to the Brazilian Embassy.

*Bulgaria*—Delegates of the Government: H. E. P. Hadjimisheff, minister plenipotentiary and president of the Bulgarian Delegation to the Peace Conference, Dimiter Strashimroff, publicist, and Dr. Nichols Stoyanoff, director of Bulgaria's public debts.

*Canada*—Delegates of the Government: Hon. Hugh Guthrie, minister of militia and defense in the Canadian Cabinet, J. H. Gundy, of Wood, Gundy & Co., and G. C. Cassels, assistant general manager of the Bank of Montreal.

*China*—Delegates of the Government: Suntchou Wei, Chinese minister in Belgium, and H. B. Morse.

*Czecho-Slovakia*—Delegates of the Government: Mr. Posposil, director of a bank in Prague (Mestske-Sporitelna), B. Dusek, official of the ministry of foreign affairs, Karel Mecir, Czecho-Slovak minister at Brussels.

*Denmark*—Delegates of the Government: R. Gluckstadt, councilor of state, and Mr. Sthyr, official of the ministry of foreign affairs and acting secretary to the Danish legation in Paris.

*Finland*—Delegate of the Government: Otto Stenroth, chief director of the Bank of Finland.

*France*—Delegates of the Government: Eugène Lefèvre, secretary general of the Credit Lyonnais, M. de Fleuriau, minister plenipotentiary, and M. Avenol, financial inspector, financial delegate of the French Government; advisers: Pierre Cheysson, Dr. Siegfried and M. West.

*Germany*—Delegates of the Government: Herr Bergmann, state-secretary of the ministry of finance, Herr von Glasenapp, vice-president of the Imperial Bank, and Herr Franz Urbig, of the Disconto-Gesellschaft; advisers: Oberfinanzrat Kaufmann and Geheimer Hofrat Professor Dr. Lotz.

*Greece*—Delegates of the Government: Lambros Coromilas, Greek minister in Rome, Alexandre Diomedes, co-governor of the National Bank, and M. Lakatsas, director of the Comptabilité Générale of Greece.

*Guatemala*—Delegates of the Government: Guillermo Matos Pacheco, chargé d'affaires of the Guatemalan legation at Paris, and Juan de Putte, consul of Guatemala at Ghent.

*Holland*—Delegates of the Government: Professor M. W. F. Treub, former minister of agriculture, industry and commerce, C. E. ter Meulen, of Hope & Co., Bankers, Amsterdam, and A. R. Zimmermann.

*Hungary*—Alexander Popovits, T. Scitovszky, and Dr. Bela Schober.

*India*—Delegates of the Government: H. P. Howard, late secretary to the Government of India (finance department), Sir Marshall Frederick Reid, late member of the Council of the Secretary of State for India, and Sir Fazilbhoj Currimbhoj, representative of the Bombay Business Community; secretaries: G. W. P. Martin and S. Jan Mohomed.

*Italy*—Delegates of the Government: Dr. Maggiorino Ferraris, Senator, Dr. Vittorio Roland Ricci, Senator, and Professor Alberto Beneduce, Deputy; advisers: Ferdinando Quartieri and Signor Giannini.

*Japan*—Delegates of the Government: Kengo Mori, Japanese financial commissioner in London, and Toshikata Okubo, London manager of the Yokohama Specie Bank, Ltd.; secretaries: K. Aoki, chief secretary, K. Goto, and M. Hioki.

*Luxemburg*—Delegate of the Government: Joseph Steichen, councilor of state; secretary: Hamelius Ettienne.

*Norway*—Delegates of the Government: Dr. A. Raestalm, P. Volckmar, manager of Norwegian Bank of Commerce, and C. Smith.

*New Zealand*—Delegate of the Government: Colonel the Hon. Sir James Allen, K.C.B., high commissioner for New Zealand, and Colonel G. F. C. Campbell.

*Poland*—Delegates of the Government: L adisl as Grabski, minister of finance, John Stecskowski, director of the Lemberg Land Bank, and Baron Manteufel, director of Credit Department, Finance Ministry; adviser: Mr. Markowski.

*Portugal*—Delegates of the Government: Dr. Affonso Costa, president of the Portuguese delegation, formerly president of the ministry and minister of finance, Inerencio Camacho, minister of finance, and Victorino Guimaraes, Reparation Commission delegate; advisers: Antonio Malheiro, director general of public accounts, Joao Ulrich, governor of the Banco Nacional Ultramarino, and Adriae de Seixas, secretary general of the Bank of Portugal; secretary of the delegation: Alfredo da Cruz Nordeste, lawyer and assistant to the delegate at the Reparation Commission.

*Rumania*—Delegates of the Government: Professor D. Many, director of the ministry of finance in Transylvania, M. Halaceanu, formerly mayor of Bukharest, and M. Lepadatu, member of the Rumanian Academy; advisers: Eugene Neculcea and Professor George Tasca.

*Serb-Croat-Slovens State*—Delegates of the Government: Velisar Yankevich, finance minister, Montchelo Nintechich, minister of commerce, and Dragoliub Novakovich, director of the National Bank; adviser: Dr. Kostrecic.

*South Africa*—Delegates of the Government: R. A. Blankenburg, O. B. E., acting high commissioner for South Africa; adviser: Henry Strakosch, managing director of the Union Corporation; secretary to the delegation: Dr. C. Pohgeiter.

*Spain*—Delegates of the Government: The Marquis de Cortino, ex-crown minister; Manuel de Arguelles of Arguelles, secretary-general of the finance ministry, Jos e Figueras, director of the Bank of Bilbao.

*Sweden*—Delegates of the Government: Marcus Wallenberg, director of Stockholm Enskilder Bank, and Oscar Rydbeck, managing director of the Scandinavian Bank; secretary of the delegation: Moritz Marcus, Ph. D.

*Switzerland*—Delegates of the Government: Dr. Alfred Frey, national councilor, president of the Swiss Union of Commerce and Industry, Rudolphe de Haller, ex-director of the Swiss National Bank, and Henri Heer, president of the Swiss Co-operative Society for the Development of Foreign Trade.

*United Kingdom*—Delegates of the Government: Lord Chalmers, G. C. B., formerly permanent secretary to H. M. Treasury, Lord Cullen, K. B. E., formerly governor of the Bank of England, and Henry Bell, general

manager of Lloyd's Bank; secretary of the delegation: F. W. Atterbury, late Royal Naval Volunteer Reserve.

*United States*—Unofficial representative: Roland W. Boyden, delegate near the Reparation Commission; assistants: Messrs. Hess and McLeod.

*Uruguay*—Delegates of the Government: M. Alberto Guani, Uruguayan minister to Belgium, and M. Abelardo Roy, consul-general of Uruguay in Belgium.

#### REPRESENTATIVES OF STATES IN ATTENDANCE

*Estonia*—Delegate of the Government: Johan Kukk, former minister of finance and member of the Constituent Assembly; advisers: Alexander Puchk, commercial agent of the Estonian Government in London, Professor A. Piip, Estonian minister in London.

*Latvia*—Delegate of the Government: G. W. Bisseneck, chargé d'affaires of Latvia in Great Britain; adviser: O. Grosvald.

*Lithuania*—Mr. Galvanowski.

In accordance with the decision of the Council of the League at San Sebastian, the Reparation Commission was invited to appoint a representative to attend the Conference.

Representatives of the International Relief Credits Committee, of the International Chamber of Commerce and of the Supreme Economic Council were present at Brussels.

## APPENDIX II

### DOCUMENTS PREPARED FOR THE INTERNATIONAL FINANCIAL CONFERENCE

\*REPORT of the Advisory Committee. London, Harrison & Sons, Ltd., 1920. 25 p. 33 cm.

**I. MEMORIAL** on the International Financial Situation. (a) Memorial to various Governments; (b) Reply by the British Chancellor of the Exchequer; (c) Reply by the late Secretary to the American Treasury; (d) Extract from the Annual Report of the Secretary to the American Treasury.

**II. ECONOMIC DECLARATION** of the Supreme Council, March 8, 1920.

\***III. CURRENCY STATISTICS.** Introduction. (a) Rates of Exchange; (b) Rates of Discount; (c) Gold and Silver Reserves and Note Circulation; (d) Bank Deposits; (e) Wholesale Prices and Exchanges, preceded by explanatory note. London, Harrison & Sons, Ltd., 1920. 47 p. 28 cm.

\***IV. PUBLIC FINANCE.** Introduction. (a) and (b) Budgets, 1919-1921; Tabular Statements; (c) National Debts and Loans; (d) Financial Statements; (e) Budget Summaries, 1919-1921. London, Harrison & Sons Ltd., 1920. 97 p. 28 cm.

\***V. INTERNATIONAL TRADE.** Introduction. (a) Special Trade (values) from 1913; (b) Trade (value) 1919, by countries of origin and consignment; (c) Trade (value and weight) 1919. Principal articles of import and export; (d) Appendix: Diagrams. London, Harrison & Sons, Ltd., 1920. 68 p., 50 diagrams, 28 cm.

**VI. REPORT** of the Consultative Food Committee to the Supreme Economic Council.

**VII. OFFICIAL STATISTICS** of Retail Prices. Memorandum by Professor Arthur Lyon Bowley.

**VIII. COAL STATISTICS.** Introduction Tables of Production and Consumption.

**IX. THE EUROPEAN TRANSPORT** Situation. A report compiled by the Communication Section, Supreme Economic Council.

\***X. RELIEF CREDITS** and the Promotion of Export. A summary of Government measures. Introduction. (a) Memorandum by the Relief Credits Committee; (b) American Measures to promote Export; (c) British Export Credits Scheme; (d) French National Bank for Foreign Trade.

\***XI. EXCHANGE CONTROL.** (a) Introduction and Summary of Decrees; (b) Texts of Decrees.

**\*XII. SOLUTIONS PROPOSED.** A summary of schemes for remedying present financial difficulties.

**\*XIII. MONETARY PROBLEMS.** Memoranda prepared by Economic Experts.

Four additional parts were printed as follows:

2. Memorandum prepared by Dr. G. W. J. Bruins.
3. Memorandum on the World's Monetary Problems by Prof. Gustav Cassell.
4. Memorandum on Credit Currency and Exchange Fluctuation by Prof. A. G. Pigou.
5. Notes on the Financial and Monetary Situation by Charles Gide.

**\*XIV. PRICE OF SILVER.** Memorandum by Mr. G. Findlay Shirras. London, Harrison & Sons, Ltd., 1920. 18 p. 28 cm.

**CURRENCIES AFTER THE WAR.** A survey of conditions in various countries. Compiled under the auspices of the International Secretariat of the League of Nations. London, Harrison & Sons, Ltd., 1920. XVI, 254 p. 22 cm.

This volume on the finances, foreign trade, and exchanges of the principal countries of Europe, Asia and America, has been compiled under the auspices of the League of Nations Secretariat by a number of well-known financiers and economists of different nationalities. It presents a striking picture of the changes which have taken place as a result of the war in the world's currencies and balance of trade.

\*Available at prices ranging from 1s. to 7s. 6d., plus postage, from Harrison & Sons, Ltd., 44-47 St. Martin's Lane, London, W. C. 2. All documents are in French and English, Nos. 12, 13 and 14 and Currencies after the War being available in either language separately.

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