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OFFICIAL DECLARATIONS

CONCERNING THE

RECOMMENDATIONS OF THE INTERNATIONAL

ECONOMIC CONFERENCE

held at Geneva in May 1927.

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INTRODUCTION.

The Assembly, at its meeting on September 24th, 1927, adopted a resolution inviting the Economic Organisation of the League to prepare as soon as possible a document containing the replies of the various Governments with regard to their attitude towards the recommendations of the International Economic Conference, and stating the action which they have already taken or propose to take on these recommendations.

The Secretariat has already published, in July 1927, a pamphlet entitled " Discussion and Declarations on the Report of the Conference at the Council of the League of Nations on June 16th, 1927 " (document C.E.I.45). This document forms the first part of the present publication.

The second part contains the written official declarations of the Governments which, with two exceptions, were forwarded to the Secretary-General before the 1927 Assembly.

The third part is composed of the declarations made at the 1927 Assembly in: (a) plenary meeting; (b) the Second Committee. The documents which have served as a basis for the third part are the verbatim reports of the plenary meetings and the minutes of the meetings of the Second Committee.

With regard to the declarations in the third part, the Secretariat desires to point out that, in conformity with the Assembly resolution, it has simply extracted from the speeches made during the Assembly the parts which reproduce the formal declarations of the Governments or official statements concerning the attitude of the country in question towards the recommendations of the Conference:

DISCUSSION AND DECLARATIONS ON THE REPORT
OF THE CONFERENCE AT THE COUNCIL OF THE LEAGUE
OF NATIONS ON JUNE 16th, 1927.

[Formerly document C. E. I. 45]

EXTRACT FROM THE MINUTES OF THE MEETINGS
OF THE COUNCIL HELD AT GENEVA ON JUNE 16th, 1927.

Present: The following representatives of the Members of the Council:

Sir Austen CHAMBERLAIN (*President*) (British Empire).
M. VANDERVELDE (Belgium).
M. VILLEGAS (Chile).
M. CHAO-HSIN CHU (China).
M. URRUTIA (Colombia).
M. BENEŠ (Czechoslovakia).
M. LOUCHEUR (France).
Dr. STRESEMANN (Germany).
M. SCIALOJA (Italy).
Viscount ISHII (Japan).
Jonkheer BEELAERTS VAN BLOKLAND (Netherlands).
M. SOKAL (Poland).
M. Petresco COMNÈNE (Roumania).
M. YUDICE (Salvador).

Sir Eric DRUMMOND, *Secretary-General*.

REPORT ON THE WORK OF THE INTERNATIONAL ECONOMIC CONFERENCE.

Dr. STRESEMANN read the following report:

“The World Economic Conference, which was convened in pursuance of the Assembly’s decision of September 24th, 1925, on the proposal of the French delegation, held its meetings from May 4th to 23rd under the eyes of the statesmen, the economists, the business-men and the public of the whole world; the ground was first admirably

prepared by the Preparatory Committee and the Secretariat. The results of the Conference are comprised in a Report which is already in the hands of the Council (document C.E.I.44).

“ It is a great privilege to me to bring officially to the attention of my colleagues on the Council the results of one of the most remarkable and successful Conferences ever convened by the League of Nations.

“ The Conference was given the task of setting forth in clear and unambiguous terms the nature of the difficulties and evils of the present world economic situation, and of pointing out the way in which these difficulties could be removed or mitigated by international co-operation, with due regard to the exigencies of national life.

“ In the opinion of observers in all countries, the achievements of the Conference in this direction have been of the highest importance. This is not because they have revealed to Governments or students of economic facts or remedies of which they were unaware, but because a large number of eminent experts, drawn from all countries of the world, have condensed in unanimous resolutions the results both of their studies and of their practical experience, indicating at the same time the different paths which might lead to an improvement of prevailing conditions.

“ It was natural that the attention of the experts should first have been drawn to the economic situation of Europe, which during and since the war has been more severely tried than any other part of the globe; but they did not lose sight of the reaction of the difficult European situation on that of other continents and they gave close attention to a large series of general problems equally important for all parts of the world.

“ The resolutions of the Conference are mainly concerned with questions of commerce, industry and agriculture.

“ Commerce is, *par excellence*, a matter of international concern. It is at the same time largely influenced both by the independent action of States and by their treaty relations with each other. It is not, therefore, surprising that the Conference gave the problems of international commerce the foremost place. In this important field the Conference recognised in principle the necessity of liberating international trade from all artificial barriers and obstacles, especially those which arise from high Customs duties.

“ *The Conference declares that the time has come to put an end to the increase in tariffs and to move in the opposite direction.*

“ These are momentous words, involving as they do a whole programme of work which can only advance by progressive steps towards realisation. The means to this end lie first of all in the simplification and unification of the mechanism of tariffs, in striving for greater stability in Customs duties, in the introduction of improved methods of treaty-making, and, finally, in the gradual reduction of tariff-burdens.

“ Three roads lead towards this goal: individual action by States with regard to their tariffs; bilateral action through the conclusion of suitable commercial treaties; and, lastly, international concerted action. The importance of international co-operation in this field is strongly underlined by the Conference and it is just this part of the work which falls within the province of the League of Nations and its economic organs.

“ In the sphere of *industry*, special emphasis is laid on reduction of the cost of production by the study and application of the best methods of economic stabilisation. The importance of international industrial agreements for the promotion of general

commercial interests in certain industries is admitted, subject to conditions and safeguards which are clearly set forth.

“ In regard to the requirements of *agriculture*, the Conference sees a possibility of effecting an improvement, particularly by the use of better methods, the development of the co-operative system and an improved organisation of credit institutions.

“ There seems no reason for me to discuss the general report of the Conference in greater detail, since all members of the Council are already familiar with the report itself.

“ In almost every one of its resolutions, whether they be concerned with commerce, industry or agriculture, the Conference has made suggestions or recommendations for further work to be undertaken by the League of Nations in promotion of the aims which the Conference has pursued.

“ The Report in your hands will soon show you that the tasks which the Conference has bequeathed to the League of Nations are both numerous and varied. They will require continuous, methodical and expert study for their accomplishment. The Council will therefore, at a suitable moment, have to consider the advisability of modifying or supplementing its Economic Organisation in order to adapt it to its new tasks.

“ Yet I am inclined to think that it would still be premature to embark to-day on a discussion of this important problem, and I would propose that we adjourn its discussion till the September session. But, in the meantime, I hope that the Economic Committee and the Secretariat will get forward as far as possible with their task; they can, for example, at once begin to outline and prepare the future plan of action, especially in connection with Customs tariffs.

“ Finally, I want to remind you that the Diplomatic Conference convened for October 17th in Geneva with the object of drawing up a convention for the suppression of important export prohibitions should, with the full support of the Governments, be an important step in the execution of the recommendations of the Conference.

“ I should like to add a few remarks. As the Council will remember, the Conference consisted of nearly 200 members (with about as many experts) of 50 different countries, who, with a few exceptions, were appointed by Governments and represented every possible qualification, interest, and point of view.

“ Many of us must, I think, have feared, when we decided to convene a large Conference so-composed, that the complex and controversial character of the economic problems and the varied composition of the Conference might well make it impossible to arrive at unanimous recommendations which would have any real force and substance in them. Fortunately, the Report which we have before us shows that any such danger, real though it was, has been successfully avoided. We have in this Report recommendations not only unanimous but enthusiastic; covering the most far-reaching principles and proposals on the central questions of economic and commercial policy. We owe this result not only, in my view, to the way in which the actual members of the Conference conducted their work, but to the fact that they felt themselves to be expressing a real and strong demand from all parts of the world.

“ These recommendations are, however, the beginning and not the end of the real task to be accomplished. The President, M. Theunis, I was glad to see, in his concluding speech, reminded the members of the Conference of the personal moral engagement:

which each of them had assumed in voting for the recommendations to do his utmost to secure that they were adopted and put into practice.

“ I am sure that we on this Council, at whose invitation the members of the Preparatory Committee worked for a year before the Conference began and at whose request the Governments of the world appointed the members of the Conference itself, will feel at least an equally strong moral engagement to do everything in our power to see that these recommendations are embodied in the actual economic and commercial policies of the Governments of the world, and particularly those which each of us directly represents on this Council.

“ I have no doubt, too, that all who have taken part in the work of the Conference and its preparation will continue to give it their unabated support.

“ I am glad to know, for example, that the International Chamber of Commerce is about to have its biennial Congress at Stockholm, at which the problem of the best methods for carrying out the recommendations of the Conference will receive its closest attention.

“ Finally, I beg to remind you that the heavy and difficult task which falls on the Economic Organisation of the League as a result of this Conference can only be successfully carried out if full support is given to this body by Governments and organisations and by all men of good will.

“ Before closing this report, I feel it to be both a duty and a pleasure to express the thanks which are due from the Council to all the members of the World Economic Conference for their able, industrious and successful work. We owe an especial measure of thanks and recognition to M. Theunis, the President of the Conference, whose brilliant leadership and energy made it possible to bring a work of such extraordinary importance to a conclusion in the short space of three weeks.

“ We have also a debt of gratitude towards the industrial organisations of the various countries as well as to the international organisations which have largely contributed to the preparatory work of the Conference, in particular the International Labour Office, the International Chamber of Commerce and the International Institute of Agriculture.

“ The untiring activity of the Secretariat and, in particular, of the Economic Section has certainly been a valuable asset in contributing towards the success of the Conference.

“ I have the honour to propose to the Council the following resolution:

“ ‘ The Council takes note of the Report of the World Economic Conference;

“ ‘ (1) Tenders its most cordial thanks to the President, M. Theunis, to all Members and Experts present at the Conference, as well as to all organisations and individuals who have assisted in its preparation;

“ ‘ (2) Considers that the Conference has fully carried out its task of setting forth the principles and recommendations best fitted to contribute to an improvement of the economic situation of the world and in particular to that of Europe, thus contributing at the same time to the strengthening of peaceful relations among nations;

“ ‘ (3) Invites therefore all countries and Governments to give to these principles and recommendations their close attention and the active support necessary to facilitate their adoption and application;

“(4) Reserves for examination at its next session the changes that might prove desirable in the Economic Organisation of the League of Nations in view of the results of the Conference, and invites the Economic Committee in the meantime to meet in extraordinary session in order to begin at an early date a preparatory study of the resolutions of the Economic Conference as regards Customs tariffs, and more particularly as regards the unification of tariff nomenclature. ’ ’

DECLARATIONS OF THE MEMBERS OF THE COUNCIL.

Jonkheer BEELAERTS VAN BLOKLAND said he was happy to associate himself with the tribute which had just been paid by the distinguished Rapporteur to the work of the Economic Conference. Public opinion in his country had noted with keen satisfaction that the economic disarmament referred to in the resolutions adopted at the Conference constituted a new stage towards the consolidation of good relations between the nations, which was one of the principal guarantees of world peace.

The Government of the Netherlands would consider it to be its duty to study thoroughly the recommendations made by the Conference and the necessary measures for ensuring their execution. His Government would all the more eagerly undertake this work as it had continuously, up to the present, in spite of increasing difficulties, been inspired by the principles which formed the basis of the recommendations of the Conference. The unanimous approval given to these principles in Geneva justified the hope that the period of theoretical discussion would soon be followed by a period of practical realisation.

M. SCIALOJA said that, when M. Loucheur had taken the initiative in proposing the Economic Conference, many people had been sceptical, as people usually were when any good work was undertaken. The reply of the Conference to all the sceptics had been the best possible reply, since, in the midst of very serious difficulties, it had succeeded in taking decisions which it had been possible for the States present at the Conference generally to accept and which therefore might be usefully applied in international practice in the near future.

He believed that the Council would be unanimous in expressing its gratitude to the originator of the Conference, and to all those who had taken part. The result obtained was due, in his opinion, largely to the good organisation of the Conference and to the skill and diligence of the Economic Section of the Secretariat. Without these factors, the Conference would perhaps still be in session and would be running the risk of continuing its work to no purpose.

He had no observations to make on the proposal which the Rapporteur had submitted. The Italian Government would consider it most favourably. He would, however, be sorry if the last part of that proposal should lead the Council into what appeared to him to be a mistake. This part of the proposal contemplated an economic reorganisation of the League of Nations. M. Scialoja did not clearly understand what that might mean. In any case he would draw the attention of the Council to the fact that the Economic

Organisation of the League of Nations could not be deprived of its fundamental basis, which consisted in its being a group of nations, a group of representatives of Governments to which representatives of the most important economic organisations of the world might be attached. If the Council desired to achieve results which were really useful and practical, as indicated, for example, at the end of the resolution in respect of Customs tariffs, the fact must not be lost sight of that this organisation of the League of Nations must be fundamentally an organisation of States.

He had no other observation to make. His sole object was to obtain a personal explanation as to the meaning of the words contained in the fourth paragraph of the resolution.

M. VANDERVELDE said that it was hardly necessary to emphasise the importance of the report and the conclusions which had just been submitted by Dr. Stresemann. As was mentioned in the report, the Economic Conference had been convened on the initiative of the French delegation, which was represented at that moment by its most active originator, M. Loucheur. The Conference had been presided over — and this was a great honour for Belgium — by one of the most distinguished of his own compatriots — M. Theunis, to whom Dr. Stresemann had paid a just tribute. The report on the Conference was submitted by the representative of Germany under the presidency of Sir Austen Chamberlain, representative of the British Empire. Thus the majority of the great countries had most effectively participated in the preparation or presentation of the report submitted to the Council. The Council would necessarily be unanimous in adopting the conclusions of the report, and this unanimity was significant, as it did not merely indicate an agreement on principles concerning which a previous understanding had been reached.

As Dr. Stresemann had noted, the culminating point of the Conference was the moment at which it declared that the time had come to put an end to the increase of Customs tariffs and to turn in the opposite direction. In many countries before the war, and especially since the war, the tendency, which has appeared to be steadily increasing, was in favour of protectionism. At a given moment, on the initiative of the French delegation, a decision had been made to convene the Economic Conference. All the Governments had sent delegates, not with an official mandate, but delegates who had been chosen by the Governments themselves. By a kind of plebiscite, the importance of which nobody would under-estimate, these representatives of all the countries of the world, representatives of business as well as of the working-classes, had declared that the time had come to move in a different direction and to substitute for the policy of an increase of protectionism the policy of a return towards free trade.

The Council was being asked to declare that the Conference "had fully carried out its task in setting forth the principles and recommendations best fitted to contribute to an improvement of the economic situation of the world, and in particular to that of Europe, thus contributing at the same time to the strengthening of peaceful relations among nations". He was convinced that the Council would wholeheartedly adopt this conclusion. The Council was further asked "to invite all countries and Governments to give to these principles and recommendations their close attention and the active support necessary to facilitate their adoption and application". He would vote all the

more willingly for such a recommendation as, immediately following the Economic Conference, the Belgian Government had taken steps to lay the resolutions adopted before Parliament and to declare that, so far as it was concerned, it fully adhered to these resolutions¹ and would do all in its power to ensure that the conclusions adopted by the Economic Conference were embodied in the legislation of all countries. One of the reasons why Belgium had taken this initiative and had thought it well to emphasise immediately the importance which it attached to the resolutions of the Economic Conference was that, though Belgium was a small country from the political point of view, she nevertheless figured among the six principal industrial Powers represented at the International Labour Office. Her position was such that, owing to her small size and the narrow limits of her internal market, it was necessary for her, if she were to exist independently, to be able to carry on her commerce under the regime of free trade with all the countries surrounding her and, generally speaking, with all countries.

The Council would understand that, in these circumstances, it was not by chance that those who had been first to speak on this subject were the representatives of the Netherlands, Italy and Belgium since, for these countries, the application of the resolutions adopted by the Economic Conference was, so to speak, a question of life and death. Their independence could only be maintained if the principle of economic interdependence of all nations under a system of free trade were recognised, and it was with great satisfaction that Belgium had noted the unanimity which had prevailed at the Conference in regard to this principle. He saw in that unanimity a valuable pledge of the consolidation and stabilisation of peace in Europe and in the world.

M. BENEŠ said he would like to make a short declaration on behalf of his Government.

It was one of the great merits of the Conference to have thrown impartial light on the origins, causes and nature of the present economic problems, and it was impossible sufficiently to thank all those who had participated in the Conference, particularly the Preparatory Committee and the Economic Service of the League of Nations, together with the promoters of the Conference, for the preliminary work which had been so wisely thought out; and the abundant and concise documentation of the Conference.

Many mistaken and confused ideas had been set right. More than one cause of incorrect opinions or tendencious propaganda had been reduced to its proper value. This was particularly true of ideas which had been spread during recent years in regard to the economic evils from which Europe was at present suffering and the causes from which they arose. All these ideas had, by the discussions of the Conference, been reduced to their just proportions and to reasonable, sound and exact conceptions and had been replaced by guiding rules which were precise and scientifically justified. It was only necessary in order to be convinced of this fact to go through the Minutes of the various Committees of the Conference.

¹ Text of M. Vandervelde's declaration in Parliament:

"The Government desires to declare, as from to-day, its entire adhesion to the recommendations of the Conference. It also declares itself ready to come to an understanding with other Governments, from now onwards, on the lines laid down by the Conference.

"Belgium has been the foremost in the struggle for freedom of trade. She owes it to herself to be also one of the first to endorse the resolutions affirming this freedom." (Translation by the Secretariat.)

He could therefore do no more than fully subscribe to the declaration which M. Vandervelde had just made.

The cure prescribed by the Conference was certain to be slow and would require much patience, but it had the great advantage that it led into a path that was sure, though difficult.

He had the honour to inform the Council that, before leaving for Geneva, he had submitted to the Council of Ministers the results of the work of the Economic Conference. The Government of the Republic had given its full adherence, in principle. He believed that certain ideas and principles formulated by the Conference, particularly in regard to the commercial policy of the States, would be examined more thoroughly in order that their consequences might be fully appreciated. This investigation would be the subject of further work, but he could now, on behalf of the Government, adhere to the resolutions of the Conference and declare that it intended to develop its policy in conformity with the principles which they embodied.

Dr. STRESEMANN spoke as follows:

The International Economic Conference has achieved a very meritorious work. It is now our task to contribute our share to this work by carrying through the decisions of the Conference. We must see to it that these decisions do not simply remain a "platonie gesture", to use the term employed by the Economic Conference, but that they become realities.

We have just heard that the Belgian Government has taken an initiative which ought to serve as an example to the other Governments. I am glad to say that I can at once join in this initiative on behalf of the German Government. I declare that the German Government gives just as full and unqualified an approval to the decisions of the Economic Conference as the Belgian Government. A few days ago, the German Government defined its attitude by taking the following decision:

"The Government of the Reich approves the general report of the World Economic Conference, and concurs in its conclusions.

"It is ready to co-operate energetically in giving effect to the recommendations and suggestions of the World Economic Conference.

"The Government of the Reich considers that the guiding principles for Customs and commercial policy enunciated by the Economic Conference provide a practical means of ensuring greater freedom in international, and more especially European, economic relations; and it agrees with the Conference that this is one of the essential conditions of the economic restoration of Europe, the progress of civilisation and the maintenance of peace.

"It therefore considers it highly desirable that the work required of the League of Nations to give effect to the Conference resolutions should at once be taken in hand and carried through."

I express the hope that other Governments will follow the example given by the Belgian Government.

But even such decisions taken by Governments, however valuable they may be, are for the time being only on paper and platonic gestures. The initiative of the Governments depends on the initiative of the organs of the League, because the Economic Conference has conferred the competence for the execution of the majority of its decisions to these organs of the League of Nations. The Governments, therefore, must first appeal to the organs of the League to take the initiative and to do so as soon as possible. The discussions of the International Economic Conference have drawn the attention and the will of the public to these economic problems. Let us use this attention and this will by taking up the practical work as soon as possible. Every day which passes unused is a loss, because every day the decisions taken by the Economic Conference return to the background in the public interest and the unanimity and desire for co-operation and understanding may disappear.

I am therefore particularly glad to note that the resolution which I have the honour to submit to the Council in one of its last sentences invites the Economic Committee of the League to meet at an "early date" in order to take up a particularly important and urgent task, namely, the unification of the nomenclature and classification of Customs tariffs. The work on this problem is particularly urgent, because, as far as I can see, a certain number of States are about to modernise their Customs tariffs. We should miss an opportunity for carrying through the decisions of the Conference if it were not made possible for these States to postpone the modernisation of their Customs tariffs until a uniform tariff scheme has been worked out under the auspices of the League. If States carry through this task separately, it would mean that the possibility of a large and comprehensive application of a uniform Customs tariff would be missed for years, because these States could not possibly, after a few years, modify their tariff systems again. This is also a condition for the carrying through of another recommendation of the Economic Conference, namely, that the short-term commercial treaties should be replaced by long-term treaties.

The International Economic Conference has, in one of its resolutions, pronounced a very bold phrase, namely, that the Economic Conference constitutes the beginning of a new era of international trade. It is now for us to employ our good will and our energy in order to meet this hope, if in future our action is to live up to the promises of the Economic Conference.

M. COMNÈNE associated himself with the congratulations which had been offered to M. Loucheur; the promoter of the Economic Conference. The enthusiasm and faith which M. Loucheur had brought to this work had been certainly one of the deciding causes of its undeniable success. He also associated himself with the congratulations which had been offered to the President of the Conference, who had, with a skill and courage beyond all praise, guided his vessel through the rocks which more than once had threatened it with destruction. He also joined in the congratulations and thanks offered to the delegations of the Conference and to the members of the Secretariat, who had afforded valuable help.

With regard to the considerations contained in the report of Dr. Stresemann, he entirely associated himself with those concerning agriculture, particularly with what was said in the summary of the work of the Conference regarding the use of better methods

of cultivation, the development of the co-operative system, and the better organisation of agricultural credit institutions. For more than half a century the Roumanian Government had practised this policy and it was not without pride that she found herself to-day among the pioneer countries which had progressed in this direction.

As to the recommendations concerning commerce and industry, his Government would study the resolutions upon them with all the attention and sympathy which they deserved.

Viscount ISHII said he associated himself entirely with the words of the Rapporteur and with what his colleagues had said at the morning meeting, and particularly with their congratulations to the President and members of the Economic Conference. The Conference had achieved results surpassing expectations. The recommendations, which it had unanimously submitted, constituted, so to speak, the economic code of the moment. They would only, however, attain their real value on the day when they were carried out by the majority of countries. In this connection, the Council must take into consideration the question of a readjustment of the Economic Organisation of the League of Nations, and on this point entirely agreed with the suggestion of the Rapporteur. In the economic field it could not be expected that a single conference would achieve the object which the Council had in view, as M. Theunis, President of the Economic Conference, had very well said. Meetings would have to be held at certain intervals, in order that the economic problems might be studied which continuously invited the attention of the League. By this means it would be possible, perhaps, to carry out the wishes expressed by the Conference. By keeping in constant touch with these problems, it would perhaps be possible to introduce a new era in the economic life of the world. Japan attached considerable importance to international trade being subject to the principle of liberty and justice. Economic peace would reign in the world by the frank co-operation of all the peoples whose conditions were different. Economic peace constituted, so to speak, one of the bases of universal peace.

It was in that spirit that he paid a tribute to the work of the Economic Conference, which marked a new stage in the important work which the League of Nations was called upon to undertake for the welfare of humanity.

M. SOKAL said he was glad to be able to state that the Polish Government had been the first to support the proposal of the French Government for the convening of an International Economic Conference. The Polish Government was gratified that the results of the Conference had constituted an undeniable success for the League of Nations.

The Polish Government would express its point of view on the question of setting up a permanent economic organisation when that question came to be discussed at the next session of the Council. He would point out at once that, even in the Conference itself, his Government had given evidence of the great interest which it felt in this question.

Without going into details, he desired to draw attention to two facts, which were perhaps the most striking facts in connection with the Economic Conference, in which he had personally taken part. The first of these was the co-operation of the working-classes. By their loyal and sincere co-operation in the International Economic Conference, the working-classes had proved that economic peace and social peace were closely bound up with one another. The second fact had just been mentioned by the Roumanian

representative, namely, the successful co-operation in regard to agriculture which proved that international co-operation between agriculturists was not only necessary but perfectly feasible.

While associating himself with the tribute that had been paid to M. Loucheur, the originator of the Conference, to M. Theunis who, as President, had conducted its proceedings so admirably, and to the Economic Section of the Secretariat, he wished also to emphasise the great measure of assistance that had been given by the public itself. The public throughout the world had immediately appreciated the close relations existing between economic peace and the general peace of the world. The public had also realised that, without close co-operation in the economic field, it was impossible to speak either of disarmament or the stabilisation of peace in the relations between the peoples of the world. He thought that all might congratulate themselves upon the result of the Conference, which certainly represented a first step in this direction. It was, moreover, obvious that the organisation proposed would, when it was set up, make it possible to consolidate economic peace on the basis of the principle which underlay all the work of the League, namely, international justice. The question at issue was that of an economic peace, which, as Viscount Ishii had just said, would mean loyal and sincere co-operation among all countries in the field of economics.

M. VILLEGAS, as the representative of a country which, with other countries of the American continent, had taken an active part in the work of the Economic Conference, wished to associate himself with the well-merited tribute that had been paid to M. Loucheur, the originator of the Conference, to M. Theunis, the President, and to the organisers of the Conference, which had been a most conspicuous success.

The Conference had unmistakably shown the effective assistance which the Latin-American countries were able to lend in the work of economic co-operation and in the consolidation of peace by means of a better comprehension of the needs of the different countries and a better distribution of raw materials.

His country had fully appreciated the scope of the work undertaken, and would certainly do its utmost to further fresh action under the auspices of the League.

The PRESIDENT said that he first desired to associate his Government and himself with the congratulations which had been offered to the French Government, to M. Loucheur in particular upon his initiative, and to the Conference upon the remarkable success which had attended their deliberations. He had great pleasure in associating himself also with the tribute paid by the Rapporteur and other speakers to the work of the President of that Conference, M. Theunis.

His Government had been favourably impressed by a first but rather hasty study of the conclusions of the Conference, and he thought he could say that probably it was in agreement with by far the greater number of them, if not with all. But the work of the Conference and its Report had covered an immense ground; the Report embodied a very large number of recommendations: Some were of a general character and of great importance; others were concerned with matters of comparative detail but requiring, in the opinion of his Government at least, careful study before it would be safe for a country, which did not wish to pledge its word and afterwards to qualify it, to give an

unqualified assent to everything which a further examination might show to be embodied in the Report. Therefore, without detracting in any way from the tributes paid to the work of the Conference, and without in any way diminishing the hopes which many had expressed as to the fruitful results that might be drawn from the Conference, he ventured to ask the Rapporteur whether he would not reconsider, not the general trend of his report or even the general trend of his conclusions, but the wording of one particular paragraph. He did not think that the third paragraph of the conclusions as now expressed could be accepted by any representative at that table who was not already authorised to pledge his Government to the acceptance, without qualification, of every recommendation, great or small, whatever its character might be, to be found in any part of the Report. That seemed to him to be going too far at too early a stage, and at any rate it was further than he was entitled to pledge his Government. He therefore ventured respectfully to submit to the Rapporteur that he might perhaps be willing to substitute the following words for the third paragraph of the conclusions:

“ Commends this valuable Report and these important recommendations to the favourable consideration of all Governments. ”

M. LOUCHEUR thanked his colleagues on the Council who had overwhelmed him in their excessive praise. The success of the Conference should mainly be ascribed to the masterly way in which M. Theunis had directed its proceedings and to the remarkable way in which its work had been prepared by the Secretariat and by the Preparatory Committee. The Conference's task had been enormously facilitated by the admirable reports presented to it.

M. Scialoja had pointed out that, at the beginning, the proposal to convene the Economic Conference had been received with scepticism in certain quarters. While he himself had never been sceptical, he was obliged to admit that the results had exceeded his hopes. It was almost impossible to realise unanimous agreement on subjects so intricate and difficult as those treated, but, nevertheless, agreement had been reached.

M. Loucheur was particularly gratified that the report of the Council on the results of an initiative that was due to France had been submitted by the German representative. This was an omen of good augury.

Without embarking upon a discussion which would be out of place at that meeting, he desired to say that M. Vandervelde had perhaps somewhat exaggerated the interpretation to be given to some of the decisions taken by the Conference. If, by freedom of exchanges, M. Vandervelde meant free trade, that would undoubtedly give rise to certain immense questions. If M. Vandervelde, however, meant a greater liberty of trade, then he was in full agreement. M. Loucheur wished, however, to draw the Council's particular attention to the statement made by Dr. Stresemann in his report with regard to the necessity of parallel and concerted action by the different Governments which the Conference had emphasised. In order to arrive at parallel and concerted action, the assistance of the Council of the League would obviously be required. It was by discussion in the League that agreement could most easily be found.

M. Loucheur was not authorised to make any definite declaration at that meeting on behalf of the French Government. He was in the same position as the President. The

French Government was at that moment giving its very serious attention to the conclusions of the Conference, with the desire to achieve concrete results. The Council might, however, have full confidence. Having taken part in the framing of certain of the conclusions, he would endeavour to advocate, as far as in him lay, their acceptance by the French Government.

M. VANDERVELDE wished to assure M. Loucheur that he had not been so simple as to confuse liberty of trade with complete free trade, and that he interpreted the latter term in the same way as M. Loucheur. He had, however, desired to lay stress on the direction taken by the movement. For that reason he attached its full importance to a declaration and a resolution which the Conference had framed in the following unambiguous terms:

“ The Conference declares that the time has come to put an end to the increase in tariffs and to move in the opposite direction. ”

M. LOUCHEUR thanked M. Vandervelde, and said he was in agreement with him as to the interpretation of the decision taken by the Conference. He wished to say a word in answer to the statements of M. Scialoja, to which Dr. Stresemann had referred. He believed that the question would be ripe for discussion in September, and that by then it would be possible to discuss freely the exact position of the proposed economic organisation.

Dr. STRESEMANN said that he had referred that morning to the Economic Conference as one of particular importance, and he found from the discussion which had taken place in the Council that the view which he had expressed was fully justified. In addition to the satisfaction which the honourable representative of France must feel at the general congratulations which he had received from all sides, he must be particularly gratified to hear the views of the different countries on the importance of the Economic Conference. It was of course evident that this was only a first step and that the recommendations, decisions and conclusions arrived at by the Conference could only become realities if they were supported and carried through by the various Governments. He entirely agreed with the observations made by the representative of Italy that morning that all the organs and committees to be instituted by the League of Nations for the purpose of carrying out the work and the resolutions submitted by the Conference must be composed of representatives of Governments and also of representatives of private organisations.

In addition to purely technical questions regarding tariff schemes and Customs barriers, the Economic Conference had considered the general idea of facilitating world economic relations by a general reduction of the tariff walls which to-day surrounded the countries. There was a long road to traverse before the goal was reached, but the only way to remove all the obstacles to economic freedom and to economic relations between countries, and to alleviate the present difficulties, was to follow the path indicated by the Economic Conference.

He was a little disappointed that the President could not accept the whole text which he had submitted that morning. He did not think that the President's text was better than his, but he was prepared to accept it, as he clearly realised the different position

in which the countries represented on the Council found themselves in regard to this question. There were countries whose Governments had already discussed and fixed their attitude regarding the resolutions submitted by the Economic Conference, namely, Belgium, Czechoslovakia, and his own country, which declared their full and unqualified acceptance of those resolutions. He quite admitted, however, that his text might give the impression that it took for granted the general adhesion of all countries to these resolutions, and that it did not provide for the possibility of taking out one or another of them afterwards and of choosing those that best suited the particular country. He realised the constitutional difficulties which existed for certain countries, and he did not want, by insisting on his text and consequently causing reservations to be made by certain countries, to give rise to misunderstandings. Therefore, although he was a little disappointed, he was prepared to adhere to the text proposed by the President.

The PRESIDENT thanked the Rapporteur for having sacrificed his preferences. He thought that his own text perhaps expressed more exactly what each of the Members of the Council really meant to say.

The resolutions were adopted with the following amendment accepted by the Rapporteur:

“(3) Commends this valuable Report and these important recommendations to the favourable consideration of all Governments.”

TEXT OF THE RESOLUTION ADOPTED BY THE COUNCIL ON JUNE 16TH, 1927.

The Council takes note of the Report of the World Economic Conference;

(1) Tenders its most cordial thanks to the President, M. Theunis, to all Members and Experts present at the Conference, as well as to all organisations and individuals who have assisted in its preparation;

(2) Considers that the Conference has fully carried out its task of setting forth the principles and recommendations best fitted to contribute to an improvement of the economic situation of the world and in particular to that of Europe, thus contributing at the same time to the strengthening of peaceful relations among nations;

(3) Commends this valuable Report and these important recommendations to the favourable consideration of all Governments;

(4) Reserves for examination at its next session the changes that might prove desirable in the Economic Organisation of the League of Nations in view of the results of the Conference, and invites the Economic Committee in the meantime to meet in extraordinary session in order to begin at an early date a preparatory study of the resolutions of the Economic Conference with regard to Customs tariffs, and more particularly with regard to the unification of tariff nomenclature.

WRITTEN OFFICIAL DECLARATIONS
OF THE GOVERNMENTS, COMMUNICATED TO
THE SECRETARY-GENERAL.

AUSTRIA.

Geneva, June 23rd, 1927.

The Federal Chancellor of the Republic instructs me to inform you that the Austrian Government, in order to give effect to the resolution of the International Economic Conference, has made a beginning by submitting the Conference report for study by the competent Parliamentary Committee (Nationalrat). This Committee, the Customs Committee, devoted four meetings to this examination, which-ended with a speech from the Chancellor containing the following statement, made on behalf of the Government, to the effect that Austria adhered unreservedly to the resolutions adopted by the Conference and would endeavour to arrive at agreements with other Governments in order to further their execution:

“ With regard to the individual recommendations of the International Economic Conference, I should like to make the following declaration: The invitation to conclude further tariff agreements, not to put autonomous tariffs into force before negotiating with other States, and to grant most-favoured-nation treatment, presents no difficulties in our case. Austria's commercial policy is fully in accordance with these principles. The Government will also take account of the recommendation to reduce excessive duties even before any action is taken internationally, starting with those which are due to temporary disturbances arising out of the war. The departments concerned will be instructed to revise our whole Customs tariff in the light of this principle. Inequalities in the tariff may then be eliminated even further than was intended by the supplementary Bill now under discussion. Provided the tendency towards reductions is maintained, there can be nothing inadmissible or even imprudent in such elimination of inequalities.

“ As regards the conventions to be concluded and the other resolutions of the International Economic Conference, I declare on behalf of the Government that it is in full and entire agreement. This fact we will communicate to the League of Nations. In our opinion, these resolutions embody ideas which have guided Austria's economic policy from the beginning, but to which we have been unable to give effect without aid from others. With regard to the execution of the resolutions, the Federal Government will enter into negotiations with other Governments. ”

I have the honour to request you to bring this communication to the notice of States Members of the League of Nations and of other States which took part in the International Economic Conference.

E. PFLÜGL,

*Representative of the Federal Government in Austria
accredited to the League of Nations.*

BELGIUM.

MINISTRY OF FOREIGN AFFAIRS.

Brussels, June 9th, 1927.

[*Translation.*]

I have the honour to send you herewith the minutes of the meeting of the Chamber of Representatives on June 1st, 1927, at which I made a statement on behalf of the Government with regard to the results of the work of the International Economic Conference at Geneva.

I would draw your particular attention to the fact that the Belgian Government declared that it gave its entire approval to the Conference's recommendations and that it was prepared to enter into negotiations forthwith with other Governments on the basis laid down by the Conference.

You will no doubt desire to communicate this declaration to the Governments of the States which were represented at the Conference.

(Signed) E. VANDERVELDE.

BELGIAN DELEGATION.

Geneva, June 15th, 1927.

[*Translation.*]

In continuation of my letter of June 9th, 1927, I have the honour to inform you that I have sent a circular letter to Belgian diplomatic and consular agents requesting them to inform the Governments to which they are accredited of the Belgian Government's decision to take all possible measures to give effect to the resolutions of the Geneva Economic Conference.

I thought it advisable to inform you of this circular letter to enable you, if you think fit, to mention it in the communication which I have asked you to send to the Governments of the States represented at the Economic Conference.

(Signed) E. VANDERVELDE.

EXTRACT FROM DECLARATION MADE IN THE BELGIAN CHAMBER OF REPRESENTATIVES ON BEHALF OF THE GOVERNMENT BY M. VANDERVELDE, MINISTER FOR FOREIGN AFFAIRS.

(Session of June 1st, 1927.)

The recommendations of the Conference with regard to international commerce received the unanimous approval of the Belgian delegates. They did more than approve them: they did all in their power to see that they were carried through. Some of them were due to Belgian initiative, and on many occasions the intervention of the Belgian delegates led to practical results.

Can anyone be surprised at the fact that Belgium has thus co-operated in the work of the Conference? The ideas which have triumphed are current among us. They are scarcely matters of controversy. Accepted in all quarters and among all groups, they are in accordance with the traditions of our commercial policy and are dictated by our most obvious interests.

If the resolutions adopted by the Conference are of considerable importance from a general point of view, they are no less so as regards our own country in particular.

In the first place, the Government and each of our delegates — in fact, public opinion in Belgium — had realised the importance of the questions to be discussed. We attached great weight to the success of the Conference, and to-day we may say that our hopes have not been disappointed.

Belgium, which is at the same time a small country and one of the six leading industrial Powers, cannot, economically, live upon her own resources. International commerce is an essential condition of her existence. We require the whole world as our field of action. Anything which makes our access to world markets difficult is a threat to our prosperity.

On the other hand, we do not possess any privileges or any means of action which enable great Powers, apart from particularly favourable conditions, to provide for themselves. We are not in a position to obtain special guarantees for our commerce. The only guarantees upon which we can rely are international.

What guarantees do we require? Guarantees of liberty in exchange, equality between nations, and stability of international agreements. These we can only obtain in full by the progress of economic internationalisation, and the Conference has undoubtedly contributed very substantially towards this progress.

There the principles laid down by the Conference are in harmony with our most fundamental interests. In future, they will prove of inestimable value as a guide and support to our policy in our economic relations with other countries.

The delegates who took part in the Conference recognised that, by adhering to these conclusions, they had contracted a moral obligation to seek their realisation in practice.

As regards the Belgian delegates, this obligation will present no difficulties, since it has been immediately endorsed by the Government and will doubtless receive the unanimous approval of Parliament.

The resolutions of the Conference relating to international commerce aimed at the abolition of import and export prohibitions and restrictions, at commercial equality between State undertakings and private enterprises, at simplifying and standardising laws or regulations concerning international commerce, at equal treatment of foreign nationals and companies in economic and fiscal matters, at the simplification of Customs tariffs, uniform tariff nomenclature, stable Customs tariffs, their equitable application, the simplification of Customs formalities, the unification of commercial statistics, the lowering of Customs barriers, the condemnation of internal taxes when employed as a means of discrimination or disguised protection, the abolition of export duties, the general application and extension of the most-favoured-nation clause and the establishment of defensive measures or guarantees in regard to dumping or discrimination imposed under the transport regime.

I shall shortly have the honour of communicating to Parliament the text of these

resolutions. The Chamber will then see that there is not one which is at variance with the policy that Belgium has hitherto pursued or which is contrary to our interests.

The Government therefore wishes to declare here and now that it fully approves the recommendations of the Conference. It also declares that it is willing to come to an immediate understanding with other Governments on the bases laid down by the Conference.

Belgium has been foremost in the campaign in favour of liberty of exchange, and she owes it to herself to be one of the first States to endorse the resolutions which consecrate this principle.

CUBA:

Havana, August 6th, 1927.

[*Translation.*]

I am glad to inform you that the State Department has duly noted the Council's resolution and that we are about to convene an official technical commission to consider the recommendations of the Economic Conference and to advise the Government as to what measures should be adopted to put them into effect. You will be informed of these measures in due course.

(Signed) Miguel Angel CAMPE,
Under-Secretary of State.

DENMARK.

DANISH LEGATION.

Berne, October 7th, 1927.

At the opening of the ordinary-session of the Danish Parliament on the 4th of this month, the Danish Prime Minister made a statement on behalf of the Government with regard to the results of the International Economic Conference held at Geneva in May 1927.

In accordance with its Government's instructions, the Danish Legation has the honour to forward the text of this declaration herewith to the Secretariat of the League of Nations.

TEXT OF THE DECLARATION.

"The Royal Government considers the results of the International Economic Conference convened by the League of Nations to be highly satisfactory. The Danish Government is happy to note that the guiding principles of economic policy laid down by the Conference coincide with those followed by Denmark."

ESTONIA.

Tallinn, July 14th, 1927.

[*Translation.*]

I have the honour to inform you that I shall bring the Council's resolution to the notice of the Estonian Government, which followed the proceedings of the International Economic Conference throughout with the closest attention and which is always ready to do its utmost to further the application and general execution of its decisions.

For the Minister and by authorisation:

Director of Political Affairs.

GERMANY.

MINISTRY OF FOREIGN AFFAIRS.

Berlin, July 8th, 1927.

I have the honour to inform you that the Government of the Reich, after taking note of the report of the World Economic Conference at a meeting held on June 9th, adopted the following resolution:

" The Government of the Reich approves the general report of the World Economic Conference and concurs in its conclusions. It is ready to co-operate energetically in giving effect to the recommendations and suggestions of the World Economic Conference.

" The Government of the Reich considers that the guiding principles for Customs and commercial policy enunciated by the Economic Conference provide a practical means of ensuring greater freedom in international, and more especially European, economic relations; and it agrees with the Conference that this is one of the essential conditions of the economic restoration of Europe, the progress of civilisation and the maintenance of peace. It therefore considers it highly desirable that the work required of the League of Nations to give effect to the Conference resolutions should at once be taken in hand and carried through. "

With reference to the resolutions of the World Economic Conference, the Government of the Reich has also asked the Reich Economic Council to report whether and under what conditions it might be possible to lower in the immediate future those duties in the present German Customs tariff which have not yet been reduced.

I leave it to you to decide whether you would bring this decision of the German Government to the knowledge of the Governments of the other countries present at the Conference.

(Signed) STRESEMANN.

HUNGARY.

Budapest, November 12th, 1927.

[*Translation.*]

I have the honour to inform you that at a meeting held on October 28th, 1927, the Hungarian Government adopted the following resolution:

“ The Hungarian Government highly appreciates the main principles enunciated by the International Economic Conference in the sphere of Customs and commercial policy; it approves the Conference’s general report and is convinced that the application of the Conference’s resolutions will furnish a practical means for the economic reconstruction of Europe.

“ The Hungarian Government notes with satisfaction that the International Economic Conference’s resolutions have once more confirmed the conclusions reached by the Genoa Conference, namely, that the different nations are mutually dependent on each other, and that the ruin of one is liable to involve that of another.

“ The Hungarian Government has already endeavoured to contribute to the realisation of these great principles by abolishing all import prohibitions several years ago. Since the entry into force of the Hungarian autonomous tariff (January 1st, 1925), each commercial treaty concluded has contributed further to the reduction of Customs duties.”

(Signed) WALKO,
Minister of Foreign Affairs.

ITALY.

MINISTRY OF FOREIGN AFFAIRS.

[*Translation.*]

Rome, August 30th, 1927.

I have the honour to inform you that the Minister of National Economy, M. Belluzzo, has made an official statement to the Press regarding the results of the recent International Economic Conference at Geneva.

I am sending herewith the text of this statement, and would ask you to be good enough to communicate it to the other Governments.

(Signed) GRANDI,
Under-Secretary of State.

EXTRACT FROM THE OBSERVATIONS OF THE ITALIAN GOVERNMENT REGARDING THE RESULTS OF THE INTERNATIONAL ECONOMIC CONFERENCE.

Dealing more particularly with the work of the International Conference at Geneva, M. Belluzzo made the following statements.

The resolutions adopted by the Economic Conference have been very carefully considered by the Fascist Government, not only on account of the high standing of the persons by whom they were framed but also on account of their widespread effect on public opinion throughout the world.

Among the resolutions adopted, those relating to commercial problems appear to be specially worthy of mention, more particularly because they cannot be put into effect without close international co-operation, in which the Fascist Government will gladly take its part.

It may be pointed out, in the first place, that these resolutions entirely harmonise with the standards of commercial policy which Italy has long followed as being the best calculated to ensure equitable and stable economic relations among nations.

The earnest recommendation of the International Conference that the present heavy burden of Customs tariffs should be lightened must be carefully borne in mind, the more so since the Conference showed that it realised that certain countries were obliged to maintain certain industries essential to national defence and to provide employment for the surplus labour which before the war found an outlet in oversea markets but is now confined to the national territory.

The Conference's recommendation carries special weight, because it is inspired by a realistic view of the general economic situation and of the European situation in particular.

The Fascist Government, which proposes to use Customs protection solely with a view to harmoniously developing all the healthy productive forces of the country and protecting its vital interests, cordially associates itself with the Conference's recommendation.

The Fascist Government is further of opinion that the mitigation of the burden of excessive Customs tariffs and the elimination of obstacles to trade — questions to which the Economic Conference gave special attention — might more easily be attained if the methods of commercial policy adopted by the various countries permitted the use of that pressure which one country can legitimately exercise over another, and which finds its most effective expression in negotiations with a view to the conclusion of treaties of commerce.

The International Economic Conference, while recommending that all countries should embody in treaty form any tariff reductions which they may be disposed to concede to third States, and strongly recommending that commercial treaties should be based on the most-favoured-nation clause in its broadest and most liberal form, reaffirmed the need for stability in the Customs systems of the various countries, which stability, as international trade justly claims, is even more than the alleviation of tariff burdens — an essential condition of its development.

A further objective which was indicated by the Economic Conference, and which should be aimed at in close co-operation with the chief European States, is the simplification and unification of Customs nomenclature. A unified and simplified Customs nomenclature is a vital necessity for the smooth working of trade and for the comparison of trade statistics.

Finally, careful attention should be given to those resolutions of the Conference which concern agricultural problems, and in particular agricultural credit, and those relating to industrial problems, especially rationalisation.

Governments must therefore cordially co-operate in putting into practice the principal resolutions of the Geneva Conference.

The Fascist Government is prepared to co-operate in this matter.

NETHERLANDS.

NETHERLANDS LEGATION.

Berne, August 22nd, 1927.

[*Translation.*]

In order to comply with the desire expressed in the report of the twenty-second session of the Economic Committee, I have been instructed and have the honour to forward to you a communication dealing with the report of the World Economic Conference at Geneva, which my Government would be glad to have brought to the knowledge of the Members of the League of Nations.

(Signed) Dr. W. I. DOUDE VAN TROOSTWIJK.

COMMUNICATION FROM THE NETHERLANDS GOVERNMENT.

On June 9th, 1927, M. Colijn, a member of the First Chamber of the Netherlands States-General, addressed the following questions to the President of the Council of Ministers:

I. Has the Government already taken note of the contents of the report of the World Economic Conference of Geneva ?

II. Is the Government prepared to communicate to the States-General its point of view in regard to the recommendations and resolutions in that report ?

III. Does not the Government think it advisable to publish a translation of the report in Dutch and place it within the reach of the public ?

The Government replied as follows:

I. The Government has already noted with great interest the contents of the report referred to in this question.

II. The recommendations and resolutions of the report have the approval of the Government. The latter considers those dealing with commercial policy to be the most important, and it is happy to see that the methods recommended are the same as those hitherto followed in the Netherlands. The Government is of opinion that these principles, when accepted and strictly applied by the various countries, will be of considerable assistance in promoting economic restoration and will constitute an important step in the direction of a permanent international understanding. A great service will have been rendered to prosperity and peace when the natural economic solidarity of the nations is no longer disregarded by the erection of artificial barriers which may here and there appear to be a source of temporary profit, but which are in the long run harmful to the nations as a whole.

III. The Government will arrange for a translation of the report in Dutch to be offered for sale.

POLAND.

Geneva, September 3rd, 1927.

[*Translation.*]

I have the honour to inform you that on August 28th last the Polish Cabinet adopted the following resolution:

“ The Government has examined with great interest the reports and resolutions of the International Economic Conference and fully recognises the value of the work of improving international economic relations which, thanks to the efforts of the Conference, has made such notable progress.

“ The Polish Government is convinced that the practical realisation of the resolutions of the International Economic Conference will depend largely on the work of the League of Nations, and that the latter, by means of its Economic Organisation, will be able to assist in giving effect to these resolutions in a manner both equitable and adapted to the economic situation of the world and to that of each individual State.

“ The Polish Government considers it to be especially desirable that the organs of the League of Nations should, on the basis of their experience and of the composition of the Preparatory Committee for the International Economic Conference, acquire the means of accomplishing the vast and responsible task which lies before the League. ”

(Signed) F. SOKAL,

*Delegate to the League of Nations.
Minister Plenipotentiary.*

PORTUGAL.

MINISTRY FOR FOREIGN AFFAIRS.

Lisbon, July 16th, 1927.

[*Translation.*]

The Portuguese Government has duly noted the wishes of the Council of the League of Nations.

The Government of the Republic has decided to draw the special attention of the National Economic Council, which has been recently set up, to the recommendations and resolutions of the International Economic Conference, with a view to their application, provided always that they are not in any way in opposition or prejudicial to national interests.

For the Minister:

A. DE VASCONCELLOS.

SWEDEN.

MINISTRY OF FOREIGN AFFAIRS.

Stockholm, July 7th, 1927.

On the occasion of the opening of the Fourth Congress of the International Chamber of Commerce at Stockholm, on June 27th, 1927, the Swedish Acting Minister of Foreign Affairs delivered a speech in which, on behalf of the Swedish Government, he made a statement in support of the resolutions adopted at Geneva on May 23rd, 1927, by the International Economic Conference.

I have the honour to forward herewith for information the text of this speech.

For the Minister:

(Signed) K. I. WESTMAN,
*Chief of the Political Division
of the Ministry.*

EXTRACT FROM THE SPEECH DELIVERED BY THE SWEDISH ACTING MINISTER OF FOREIGN AFFAIRS ON JUNE 27TH, 1927, ON THE OCCASION OF THE FOURTH CONGRESS OF THE INTERNATIONAL CHAMBER OF COMMERCE.

"I am happy to be able to state on this occasion that the Swedish Government regards as deserving of most serious consideration the conclusions of the Economic Conference as to the main lines which should in future be followed in the matter of international trade. The Swedish Government is specially ready to admit the principles on which those conclusions are based, since Sweden had already recognised and applied them in all their most essential features. The Swedish Government trusts that the recommendations and resolutions of the Conference will meet with immediate and ever-increasing support. Only thus will it be possible to realise the conditions required for the application in the commercial policy of the different States of the principles laid down and recommended by the Conference."

UNION OF SOCIALIST SOVIET REPUBLICS.

Moscow, September 3rd, 1927.

In your letter of July 5th last you were good enough to send me the text of the Council of the League of Nations resolution relating to the results of the work of the International Economic Conference, which was adopted on June 16th last. At the same time you called the attention of the Government of the U.S.S.R. to Resolution 3 concerning the report and the resolutions of the Conference.

In thanking you for this communication, I think I should inform you that the Government of the U.S.S.R., for its part, has learnt with interest of the efforts made by the Conference to lay down the main lines of future work in the sphere of international economic exchange. The Government of the U.S.S.R. considers worthy of the most serious consideration those resolutions of the Conference for which the members of the Soviet delegation¹ voted, and which, within the limits of the reservations made by those members during the Conference, are in complete harmony with the ideas that guide the Union of Socialist Soviet Republics in its economic activity. Consequently, the Government of the Union proposes to help in the practical realisation of the above-mentioned resolutions.

(Signed) George TCHICHERIN.

¹ The resolutions for which the Soviet delegation voted are indicated in the list which follows immediately after the "General Resolutions" in the Final Report of the Conference (document C. E. I. 44 (1)).

DECLARATIONS MADE AT THE EIGHTH ASSEMBLY
OF THE LEAGUE OF NATIONS (SEPTEMBER 1927).

A. DECLARATIONS MADE IN PLENARY MEETINGS.

AUSTRALIA.

Sir George PEARCE. — I wish now to refer briefly to the work of the Economic Conference and to associate my country with the appreciative remarks of previous speakers regarding the spirit that has animated the deliberations of that Conference. We welcome anything that may result from that Conference that will, as has been said by previous speakers, lead the nations to peace.

I beg to remind the Assembly that the country I represent is in a somewhat different position, in the economic sphere, from most of the countries represented here. Many of those countries have had centuries in which to develop and expand their primary and secondary industries and in which to build up those accumulations of capital which are so necessary for the development of the industries of a country. We are a young country, and, as regards the greater part of it, we have had less than a century in which to develop. We cannot reconcile with our national view of growth that we should be satisfied with being merely "hewers of wood and drawers of water" for the older and economically more advanced countries.

We learned in the Great War how necessary it is that we should be able in certain essentials of economic life to supply ourselves with those essentials of national life and security. Freedom of trade and freedom of immigration must be conditioned by something approaching to equality of standards of living and economic status. We therefore, whilst welcoming the resolutions of the Conference and promising that they shall receive that earnest consideration that is their due, must reserve to ourselves that power to safeguard our national and economic life which is recognised in the Covenant of the League as the right of all nations.

AUSTRIA.

Count MENSENDORFF. — There is no country for which international co-operation in the economic sphere is more important than for Austria. A vast territory which, in the course of centuries, had become an economic unit, was suddenly split up in such a manner that new methods, new forms and new organisations had to be found in every field of economic life.

Austria was one of the first countries which unhesitatingly and unconditionally acceded to the Conference's recommendations. In June last the Federal Chancellor, Monsignor Seipel, stated, before the competent Parliamentary Committee to which the work of the Economic Conference had been referred, that Austria adhered without reservation to the recommendations and suggestions of the Conference, adding that he would endeavour to come to agreement with other Governments with a view to facilitating the execution of these recommendations.

He also said that Austria would have no difficulty in complying with the invitation to extend the system of tariff treaties, to refrain from introducing autonomous tariffs before negotiating with other States, and to grant the most-favoured-nation clause (see page 20).

Austria's commercial policy is wholly in conformity with these principles.

The Austrian Government will also take into account the recommendation to diminish excessively high Customs duties and will make a beginning, even before any international action has taken place, by reducing duties already established by reason of temporary abnormal conditions following on the war. The departments concerned will be instructed to revise the whole Customs tariff in the light of these principles.

As regards the conclusion of conventions and the other resolutions of the Economic Conference, the Federal Chancellor declared, on behalf of the Government, that the latter approves them without reservation. These resolutions give voice to ideas which have always inspired the policy of Austria, but which we were not in a position to effect singlehanded.

The Federal Government will enter into negotiations with the other Governments with a view to putting these resolutions into practice.

Since the Economic Conference, Austria and the United States of America have initialled a treaty, for a period of eight years, which contains the most-favoured-nation clause. A new Treaty of Commerce with Czechoslovakia has come into force. Negotiations with Hungary are proceeding satisfactorily with a view to the conclusion of a supplementary tariff treaty: this will be the first long-term treaty of its kind, since, under present conditions, short-term treaties are unfortunately the general rule.

The Austrian Government notes with keen satisfaction that the League has taken constructive measures to give effect to the recommendations of the Economic Conference; the League has convened an International Diplomatic Conference, which is to meet in October, to deal with import and export prohibitions and restrictions, and also a Diplomatic Conference to determine the criteria for defining the status of foreigners, to abolish unjust discrimination between foreigners and nationals, to prevent double taxation, and to deal with the unification of tariff nomenclature.

Austria is prepared to co-operate in all these activities both through her Government and through her principal economic organisations.

From the outset the Austrian National Committee of the International Chamber of Commerce exerted itself to assist in the preparatory work for the Economic Conference.

For instance, the well-known scheme of the International Chamber of Commerce for the economic and fiscal treatment of nationals and companies of one State admitted to settle in the territory of another was due largely to the efforts of the Austrian National Committee of the International Chamber of Commerce.

The Conference noted the essential interdependence of industry, commerce and agriculture. Austria is an agricultural and industrial country and will do her best to ensure that the interests of agriculture are safeguarded as closely as those of industry and commerce, when the recommendations of the Conference come to be put into practice. I am glad to note that the report makes special mention of the importance of agricultural interests.

Austria gives her full adherence to the resolutions submitted by the Second Committee, and trusts most sincerely that all these proposals relating to economic co-operation will be crowned with success, and that the first step, as attested by the work of the Economic Conference, will be followed by further progress in this direction.

BRITISH EMPIRE.

Major ELLIOT. — We are now in the closing stages of this discussion. It has been of such great importance to Europe, in particular, and has raised such lively interest among its peoples that I may be allowed in a few words to give the impressions of the British delegation.

In the present case we have another Conference whose judgments have equally been recognised as wise, and it is to be hoped, and indeed confidently anticipated, that they will in their turn form the basis of the public policy in future, to the same extent as the pronouncements of the Brussels Conference have done in the past.

I should like to say how strikingly has emerged from the report and from the discussions the importance of agriculture in the economy of the world as a whole, and the British Empire, in particular, with its giant production of agricultural products, is interested in that aspect of the matter. The representative of India, during the discussions, said that, of the three hundred million inhabitants in his country, not less than one hundred million live directly by work upon the soil — a colossal thought. Moreover, our Empire as a whole supports over two hundred million cattle and two hundred million sheep. These figures serve to give some slight indication of the enormous importance of agriculture, even in connection with the economy of the British Empire, of which agriculture is not always considered as one of its primary interests.

On the question of industry, the verdicts of the Conference are not those on which I wish to speak at any length, because the problem on which the Conference spoke with the clearest voice was that of commerce. I only wish again to repeat the fundamental fact that, of all the exports which are sent out from any country in the world, one-fifth are sent to the British market; out of every five men working in the world for export one man

is working on an article for the British market. This shows how fundamentally Great Britain is interested in the matters which are being raised here.

We repeat again our declaration that the British Government is wholeheartedly in favour of the principles of the report, and willing and anxious to play its part in co-operating to secure the practical application of these principles.

I would adhere to the declaration which has been made by the Netherlands Government, both in Committee and here from this tribune, that a grave responsibility falls on the signatories to this report and the Governments of the States to take practical steps towards bringing about results which, in principle, we have accepted here.

The delegate of the Netherlands emphasised in Committee the pressure felt by all low-tariff countries just now — the pressure of circumstances and, even more, the pressure of example. There is in every country a Protectionist school of thought. In some countries it is in power; in other countries it is not in power; but it is certainly enormously reinforced by the examples to which it can point throughout the world of great, enlightened, yes, and prosperous States, which hold rigidly to a protectionist policy.

It is undoubtedly difficult for the low-tariff countries to lay their hands upon their hearts and say that in them is enshrined true wisdom and that the path they are following will not eventually lead them to ruin and degradation; although, of course, their paths have not yet led them to the ruin and degradation which is so confidently prophesied.

We find already that many practical steps have been taken. We find that the Conference on the abolition of import and export prohibitions is to meet this autumn. Even at the present session of the Assembly you will have laid before you a Protocol dealing with the enforcement of arbitral awards throughout the world, which will be opened for signature.

It may be that we shall see M. Paul-Boncour coming to the feet of M. Loucheur and supplicating him to find out how it is that he has succeeded in getting England to approach a thing called a Protocol; still more, to sign anything which agrees to sanctions for the enforcement of arbitral awards. This only shows that practical steps have already been taken and that more practical steps will follow.

This is a parting of the ways. We have to make, and, more particularly, as the report itself says, Europe has to make (for it is a responsibility which especially rests upon Europe), a choice between the freeing of economic currents and the damming and the dyking and the barring up of economic currents.

Europe, which has solved so many problems, now has this problem to solve. The thirty frontiers, the thirty watertight compartments of which M. Jouhaux spoke in his powerful speech from this tribune yesterday, the thirty watertight compartments of small States which it is impossible to call in every case self-supporting, are one ideal which cannot be combined with the ideal of the wide and free play of the great economic currents of the world which has been adopted with such success in many other parts and particularly in the United States of America.

We in Europe have our own problems and our own ideals. We do not in every case desire to see uniformity of mass production, even though it produces that great

material prosperity which is such a striking feature of the economy of the New World. We have to find how to combine political questions with an economic co-operation. Such is the choice which is laid before Europe now. It is a choice which each country in its turn has to make in its own way. But we must realise that a country cannot choose both. We cannot at one and the same time choose a narrow economic and national particularism, and the enormous material prosperity which flows from a throwing down of all barriers in the direction of a uniformity of standards and ideals. Europe has not yet chosen. It has now an opportunity of choosing, which will not for ever remain open.

I end my speech as I began. There is a chance before us to follow a certain road, the road of the free play of economic forces. We see before us, on the other side of the Atlantic, the great results which have come from allowing the free play of economic forces, and I think that many nations, particularly the Western European nations, have decided to follow the way of material prosperity, whether for good or for evil, and they are looking for some great economic synthesis into which to fit themselves. Well, Europe has now the chance of bringing about such an economic synthesis. It may be that she will decide against it. In that case a step will have been taken from which there can be no going back. At this moment, great economic combinations are being formed in one part or another of the world. Unless we make up our mind one way or the other, now, these economic combinations will be formed, and once they are formed it will be very difficult for their frontiers to be recast.

CANADA.

Mr. DANDURAND. — Although we have no military barriers on the vast frontier line which runs from the Atlantic to the Pacific, we have Customs barriers, and these are much higher on the American than on the Canadian side, despite our neighbour's highly specialised industrial development.

I believe that Canada is the only country that has lowered its tariff since the war. She has done so on four separate occasions and has also signed a number of treaties containing the most-favoured-nation clause.

Even before the Economic Conference, then, we had been shaping our course according to the conclusions subsequently recommended by the Conference itself. We hailed those conclusions with the greatest satisfaction, for they are in agreement with the general trend of our policy, and we are glad to note that they were also accepted by the United States representatives. The development of our manufacturing industries is ever present in our minds, but we are also concerned at the same time with the problem of satisfying the requirements of agriculture and reducing the cost of living. Canada's foreign trade, although our population is under ten millions, places us sixth among the nations of the world.

CZECHOSLOVAKIA.

M. VEVERKA. — On behalf of the Czechoslovak delegation I desire to give my Government's unreserved accession to all these conclusions, though, indeed, in doing so I am only repeating what the Czechoslovak representative on the Council said at the June session.

Dr. Stresemann, in one of his brilliant speeches, declared that it is for us to see that these decisions do not remain purely platonic but soon become realities.

• As regards my own country, I may say that my Government has already been able to bring its economic policy into line with the principles laid down by the Conference. In fact, the three commercial agreements concluded by Czechoslovakia since the Economic Conference — with Austria, Hungary, and Spain — are inspired by the spirit of the resolutions adopted by that Conference.

Czechoslovakia is prepared to continue this policy, for she is firmly convinced of the need for close co-operation between all nations, and especially between those political entities whose common economic interest is dictated by the common static forces of nature and by the dynamic forces of historical evolution. It considers, as it has always done, that the collective application of this principle is the surest method of achieving world economic prosperity. And it is this prosperity alone which can, in my opinion, give birth in the brain and heart of man to the desire of attaining the ultimate goal, the greatest blessing of humanity — peace.

FINLAND.

M. ERICH. — The idea of seeking a remedy for the present economic ills by convening an Economic Conference was received with much interest in Finnish circles. The Finnish delegation to the Conference accordingly supported, whenever possible, all proposals designed to eliminate national and international economic difficulties.

In spite of the diversity of views represented, the Conference drew up conclusions which are regarded in the main as equitable, and which answer Finland's requirements. The Finnish Government is glad to find itself in agreement with the essential passages of the reports adopted at the Conference, and trusts that these resolutions will not be allowed to remain a dead letter, but will be put into practice, so that economic recovery may gradually be achieved. Economic recovery is essential to international life, but depends largely on the establishment of international security, and this in its turn will be influenced by consolidation in the economic sphere.

FRANCE.

M. LOUCHEUR. — Dr. Stresemann said in his speech here that, but for the Conference, it might have been impossible to sign the Franco-German Treaty of Commerce so quickly

or under the terms actually agreed upon. I may say that that is our firm conviction also. The World Economic Conference had not only laid down principles, but had created an atmosphere, and I should like briefly to explain to the Assembly—I would not say as an example to be followed, but as proof of what Dr. Stresemann said, and of what I have just repeated—what are the main features of the Franco-German Economic agreement, and how it demonstrates that the recommendations of the Economic Conference have already been followed on several points.

The Franco-German commercial agreement is remarkable, firstly, because it is concluded for a definite period—a period which can be considerably extended. It provides for the abolition of import prohibitions, and—for the first time in any commercial treaty—for recourse to arbitration.

As from a certain date, the most-favoured-nation clause will be applied to France and Germany; in this connection be it noted, France has accorded a 75 per cent reduction on certain items, while Germany has made considerable reductions in her tariff figures.

Lastly, the Treaty contains a series of clauses relating to commercial and industrial property, the regime of ports, and maritime and inland navigation—questions which had already been the subject of deliberations at Geneva.

Dr. Stresemann was right, therefore, in saying that the Franco-German agreement is practically a direct consequence of the World Economic Conference.

GERMANY.

DR. STRESEMANN. — I now venture to offer as my contribution to this discussion a general account of Germany's position in the question of the World Economic Conference. In the work of that conference politics and economics went hand in hand.

The much-discussed question as to which is the more important, politics or economics, is in itself a purely theoretical one. I myself take the view that big material questions, however important, never influence or sway the minds of men—which ultimately mould the destinies of peoples—as much as political questions. Nevertheless, those who hold this opinion must recognise and acknowledge that never have economic considerations influenced international political relations so much as they do now. Unfortunately, this influence does not always take the form of co-operation; it has often brought about the clash of great conflicting interests. Side by side with war, there is economic war. Side by side with strife, there is economic strife; and it is fully in accord with the efforts of the League of Nations to make mutual understanding and co-operation practical realities in this field also.

At this stage of our proceedings I cannot go into details as to the results of the Economic Conference; but I venture to say this—and it is a belief shared by German experts, and, I think, by French experts also—that the conclusion of the Franco-German Commercial Treaty was greatly facilitated by the co-operation effected at the Economic Conference and by the ideas to which that Conference gave birth. No commercial treaty between these two countries has existed for more than sixty years. The divergent tendency

of economic activities makes it all but impossible to conclude such treaties, with the thousands of different items which have to be discussed, if the policy of the contracting parties is confined to the defence of their own interests against the interests of the other party. The saying: "The spirit creates the body", is equally applicable to work of this kind in the domain of economic relations.

Despite the most obstinate conflicts of justifiable and often directly opposed interests, the spirit of conciliation and the determination to reach an understanding have triumphed. Let us therefore hope that this spirit of mutual understanding and co-operation, which is ever seeking new international fields, will conduce to international understanding through the fusion of economic communities. Let us give further practical effect to the work begun here: let us hope that those States which have been impoverished as the result of the world-wide events that have taken place, whose citizens are having to pay far greater taxes than any State has ever before demanded, will not regard their own country as a citadel to be defended from all foreign aggression, but that the oft-expressed criticism of Foreign Ministers, that they are regardful of the interests of others, may become a feature of international trade.

May I also voice the hope that the Economic Conference will not be looked upon by the world as a massing together of what has often been called the capitalist interests of the nations. We shall never attain peace in the social life of nations unless it is realised that capital and labour are not mutually antagonistic, but that neither can prosper except under the joint auspices of a reasonable economic policy of production and adequate social legislation.

Those who are in command of industry must lead. Those who, by their intellectual or manual contribution to the work, are essential to its success, must be paid a fair wage and be granted social assistance. To this end we must have a common standard of social expenditure, in order that fair play may be possible in international competition.

These ideas, which lead us from the League itself to the International Labour Office, will, it is to be hoped, be amongst those eventually adopted when the work of the Economic Conference is carried into effect by co-operation between employers and workers.

DR. BREITSCHIED. [*Translation.*] — What I am instructed to say on behalf of the German delegation refers especially to two points:

The first is the oft-quoted recommendation of the World Economic Conference, namely, that the time has come to put a stop to the growth of Customs tariffs and to adopt a directly opposite economic policy in this connection.

We are about to embark upon a great enterprise, and in beginning any enterprise optimism is needed; otherwise, success is jeopardised at the very outset.

All the speeches which we have heard here have been marked by such optimism, and we Germans of course share this feeling. If I am apprehensive on certain points you may be sure that it is not because I wish to dash our hope and zeal, but because I am anxious to remind you that at this grave moment words must be followed by deeds.

Let us speak frankly. Let us openly recognise the fact that during the four months since the Economic Conference Customs policy has not everywhere taken that opposite direction which is recommended by the Conference.

While in no way seeking special praise here, I would point out that, when Germany

signed the oft-quoted Treaty of Commerce with France, she reduced many of her tariff duties, and that, as you are aware, my Government has instructed the Economic Council of the Reich to consider the possibilities of a further reduction of tariffs.

I only mention what my country has done because I want to appeal to you all, as Dr. Stresemann appealed to the Governments at the last session of the Council, to put into practice resolutely, notwithstanding even the opposition of the parties concerned, this decision of the Economic Conference, which is certainly its most important one.

You are here as ministers or deputies, and you have the power of carrying out the decisions of the Economic Conference. Do not forget that every country which, contrary to the recommendations of that Conference, proceeds to increase its tariffs will encourage further resistance on the part of all those countries which are opposed to the new principles recommended by the Conference.

The second resolution to which I wish to draw your special attention recommends an enquiry, on the subject of collective action, to encourage the extension of international commerce on an equitable basis by removing or diminishing those barriers that excessively high Customs tariffs oppose to international trade.

This recommendation differs from the other resolutions of the Conference in that, in reality, the other recommendations only repeat old truths and reiterate previous demands, whereas this one introduces a new feature—collective action.

Let us consider, for example, France's position after the conclusion of the Franco-German Commercial Treaty. France is now obliged to negotiate with two or three other States on the same items of her Customs tariff and on the same questions as she has previously discussed with Germany.

Would it not have been more convenient and more practical to have discussed these questions and to have arrived at an agreement with five Powers in the first place? It is true that the time has not yet come to make detailed proposals on this subject. For the moment, the Economic Conference only contemplates an enquiry. I should now like to revert to a matter which will play an important part in this enquiry, and to draw your attention to the differences which characterise economic development in the United States of America and in Europe.

The chief reason why the United States have been able to outstrip Europe in the economic sphere is because, in America, production, trade and consumption do not encounter a new frontier every hundred kilometers; there is one great home market. On the other side of the Atlantic there is one single economic system; in Europe, production and consumption are organised in a thousand different ways. This is true of iron and coal and other products as well. For example, it would not, I think, be too much to say that Europe could supply all her own needs in bread cereals if these were raised in places where natural conditions are best.

As regards iron and steel, collective private action has been inaugurated under the auspices of the Governments of the States concerned. Could not something similar be done for coal and other branches of production, provided, however—and I strongly emphasise this point—that such collective action should be in the general interest and should not be detrimental to the interests of workers and consumers.

In what circumstances should States associate themselves with private initiative in

taking collective action? This is a question which I recommend to the consideration of the League's economic organs. I will merely express the hope that in the near future the Council will have an opportunity of studying a report on the results of this enquiry.

INDIA.

Sir C. P. Ramaswami AYYAR. — Perhaps the work in which India is most interested, in connection with the recent activities of the League, are the discussions, deliberations and conclusions of the International Economic Conference held at Geneva in May 1927. Economic peace will largely contribute to security amongst the nations, and the difficulties standing in the way of the revival of general prosperity are largely economic in character.

It is to be fervently hoped that the attitude of the League towards the deliberations and resolutions of that Conference will be such as will demonstrate its abiding interest in the problems and conditions of countries far removed from the scene of European economic life but forming nevertheless component and by no means insignificant factors in the sum-total of world economy.

It must be realised that the recommendations and suggestions of the Conference have yet to be considered by the Indian Legislatures and the Indian Executive Government, but it can be said with some confidence that these recommendations are in general conformity with the principles already followed in India; and, where there are differences, they are susceptible of adjustment and compromise. In the matter of agriculture, it is generally known that there is an important Royal Commission dealing with the topic of Indian agriculture and allied problems and we in India are awaiting the report of that Commission, which will no doubt engage the early attention of our local and central Governments. In their consideration of the matter they will undoubtedly derive immense assistance from the resolutions of the most authoritative gathering of economic experts that has ever been summoned.

ITALY.

M. Suvich. — As regards my own Government, I need only refer to the statements of the Minister of National Economy, which were communicated to all the Governments and which evince entire agreement with the principles laid down by the Conference (see page 25).

Indeed, I might say that my Government had already signified its approval of these recommendations when in 1924 it submitted a proposal for an agreement to abolish import and export prohibitions, which I hope will be the outcome of the Diplomatic Conference next October.

JAPAN.

M. ADACHI. — Ever since the foundation of the League, the Government and the nation of Japan have urged the need of working to carry into effect the principle of equitable treatment of commerce, which is solemnly inscribed in Article 23 of the Covenant. For this purpose we have on several occasions submitted concrete proposals, more especially with reference to the treatment of foreigners and a suitable definition of coasting trade.

I need hardly say, therefore, that we attach great importance to the application of the resolutions which the Economic Conference adopted, after mature consideration.

NETHERLANDS.

Jonkheer LOUDON. [*Translation.*] — At the beginning of the session, the first delegate of the Netherlands stated here that the Netherlands Government had given its full adherence to the conclusions and resolutions of the Economic Conference, on behalf both of the Netherlands and of the Dutch East Indies and West Indies. The Foreign Minister declared that the approval with which the resolutions of the Conference had been received on all sides augured well for their future realisation.

Since then, further manifestations of approval have been forthcoming. Several speakers have made similar announcements in the plenary meetings and, during the discussions on the subject in the Second Committee, the representatives of practically all the States Members declared that their Governments desired to associate themselves with the resolutions of the Conference.

These statements promise well for the prospects of economic disarmament — one of the essential conditions for moral disarmament, without which the limitation and reduction of material armaments is impossible. I therefore regard it as an excellent sign that the Assembly should have shown so much interest in this vital question.

One point I should especially like to stress, and that is the responsibility entailed by these official statements. Members of the League must show that they realise the responsibility devolving upon them by reason of their unanimous approval of the Conference's decisions, for if, despite this general agreement, despite all these declarations of approval, despite all our mutual congratulations on the results of the Conference, economic policies still persist in the dangerous path they have hitherto followed, there is the danger that a wave of profound discouragement may spread throughout the world. Murmurs will be heard: What good is the League if, in spite of all its declarations and resolutions, no practical results are forthcoming?

Let us do all in our power to prevent such disappointment, which would certainly react most unfavourably on the work of the League as a whole.

Jonkheer BEELAERTS VAN BLOKLAND. — The Netherlands Government considers that the conclusions relating to trade which were adopted by the International Economic Conference should be accepted *en bloc* in order to ensure that they are applied in their entirety. The abolition of import prohibitions and restrictions should be accompanied by a reduction of import duties, which to a certain extent are imposed with the same object in view. The important question of Customs tariffs deserves special attention, particularly with reference to the study of Customs nomenclature, in order to avoid discrimination to the prejudice of one country and specialisation for the benefit of another.

* The obvious method of avoiding these dangers would appear to be a plurilateral convention. The best foundation for the restoration of international freedom of trade would seem to be the unreserved and unconditional application of the most-favoured-nation clause. The settlement of disputes concerning the interpretation of application of treaties should be entrusted to the Permanent Court of International Justice.

The Netherlands Government gives its full adherence to the conclusions and resolutions adopted by the Conference, not only on its own behalf but on behalf of the Dutch East Indies, Surinam and Curaçao. It does so the more readily as its economic policy has always been inspired by these principles.

But what is true of the economic policy of the Netherlands Government is also partly true of its attitude towards reduction of armaments. No State can act alone. Unless other States support it, it may eventually have to decide whether it will not be obliged to take measures dictated by its national interests and to conform, much against its wishes, with the exigencies of a policy which it considers to be disastrous and which has been condemned by the League.

NORWAY.

M. HAMBRO. — I am glad to associate myself with those speakers who have seen in the Economic Conference one of the subjects on which progress has been made, and who regard its work as a most important factor for the creation of an atmosphere of international understanding and peace. The Norwegian Government gives its full support to the principles laid down in the resolutions of that Conference, and will try, to the utmost extent possible, to realise those principles in the economic policy of the country.

PERSIA.

His Excellency Hussein Khan ALÂ. — I have already had occasion in Committee to explain my Government's attitude in regard to the results of the International Economic Conference.

I should like to say again that Persia cordially welcomes the principles adopted by that Conference, which marks the beginning of a new era in the life of nations. Persia,

as much as any other country, desires the stability and prosperity of the world, which a better economic understanding will not fail to promote and regards the resolutions of that Conference as an ideal which we must all endeavour to attain if we wish to assuage the ills of humanity. But in the general enthusiasm we must not lose sight of the special circumstances of certain countries such as my own, where industry is comparatively undeveloped, where tariffs are very low and where the economic situation is precarious and even critical; such countries, while desiring to co-operate as far as possible with others, must for a time do their best to foster their home industries.

As you know, Persia has consented to great sacrifices of revenue in her earnest desire to co-operate in the humanitarian scheme of the League of Nations; but on the other hand she claims tariff autonomy, and the Assembly recognises the justice of her claim.

We are deeply grateful for this act of justice, and we have no intention of abusing this autonomy.

As you see, I have no wish to strike a discordant note in the atmosphere of harmony and unanimity in which the Second Committee's resolutions should be welcomed. I simply wished to state clearly and frankly my country's special situation, which is quite different from that of European States, and which obliges us to make certain reservations. We are sure, however, that all the Members of the League, with their spirit of fraternity and co-operation, will understand our difficulties and help us to overcome them.

His Highness Mohammad Khan FOROUGHÍ. — In order to be true to the common ideal, every nation must bear in mind the individual requirements and aspirations of the others. This was our intention, this was our expectation, when we took part in the International Economic Conference. Its discussions were undoubtedly of value, and the resolutions it adopted were calculated to promote and facilitate production throughout the world and to adapt production to requirements, but on one condition, namely, that, instead of confining ourselves to Europe and America, we should also turn our attention to Asia and regard that continent not simply as a market; we should remember its various zones of production, its multifarious peoples, each one anxious to become a centre of production, to trade with other nations on a footing of equality, with absolute freedom in the matter of Customs tariffs and maritime navigation and, subject to the conventions voluntarily adhered to, with absolute freedom as regards the choice of purchases.

POLAND.

M. GLIWIC. — Poland has emerged safe and sound from her financial difficulties, and is marching with firm step towards the great economic future which, she confidently believes, lies before her.

We, as much as other nations, realise that the interdependence of nations reigns supreme to-day in the world economic domain, and guides our destinies.

ROUMANIA.

M. NECULGEA. — The Roumanian Government will make a point of going carefully into the important resolutions of the Conference and will devote to them the sympathetic attention which they deserve. It wishes to state, here and now, that the resolutions relating to agriculture, improved methods of work, the development of the co-operative system and the re-organisation of agricultural credit are in agreement with the essential principles of the policy which it has long followed and to which it fully intends to adhere.

SWEDEN.

M. LÖFGREN. — As regards Sweden, I think I may say that her commercial policy is, in all essential points, in complete agreement with the principles adopted by the International Economic Conference. I venture, however, to point out how difficult, how impossible even, it is for individual States, especially secondary Powers, to continue to apply such principles to their commercial policy, unless those principles are generally adopted at the outset by the States whose economic influence is greatest.

The Swedish Government takes this opportunity to say that it fully adheres to the principles set forth by the Economic Conference and that it is prepared to work for their general application. Sweden addresses an urgent and sincere appeal to the Assembly of the League of Nations, to the States Members of the League, and more especially to those Members who play a predominating part in the economic life of the world, to set to work immediately to render possible the universal application of the recommendations of the Economic Conference by means of inter-State agreements as well as by the general direction of their commercial policy.

M. VENNERSTEN. — A proposal submitted by the Swedish delegation to the Second Committee contained a recommendation even more definite than that proposed by the Committee. I am glad, however, to find that the draft resolution submitted to us indicates the necessity of abandoning the policy of excessively high tariffs and of encouraging a more equitable and freer commercial policy.

The Second Committee did not see its way to accept the Swedish proposal, which underlined the extreme importance, if such a policy were to be rendered possible, of agreeing upon a universal definition and a general and uniform application of the most-favoured-nation clause. I thank the Rapporteur, however, for having recognised the special importance of this clause, and I wish to point out that the chief reason advanced by those members of the Committee who could not support the Swedish proposal on this point was that they desired to include all the resolutions of the Economic Conference in a single recommendation, without making special mention of any particular resolution. I bow to this argument, and, referring to a remark made by the Rapporteur in his admirable

statement, I would point out that our proposal was in no way intended to interrupt the preparatory work of unifying tariff nomenclature, which is already well advanced.

What we wished to emphasise, however, is the vital importance, in carrying out the programme of the Economic Conference, of a clear definition and uniform application of the principle of the most-favoured-nation clause. In this connection, therefore, I venture to stress my Government's hope that this question will receive special attention during the investigations which are to be made in the matter.

The present period is one of commercial negotiations between many European countries and also between European countries and the United States of America. We hope that during these negotiations the new commercial policy, which has already been recommended by the Economic Conference and which will, I hope, be recommended to-day by the Assembly will be loyally put into practice.

SWITZERLAND.

M. MORRA. — I wish to say that the Swiss Confederation, like all the other countries, cordially welcomed the International Economic Conference, that it noted with pleasure the recommendations adopted by that Conference and that it will endeavour to bring its policy into line with them.

B. DECLARATIONS MADE IN THE SECOND COMMITTEE.

AUSTRIA.

M. DI PAULI. — Austria, as the country which had perhaps suffered economically more than any one from territorial readjustments due to the world war, had every interest in ensuring that the political frontiers did not become insurmountable economic barriers. Many resolutions voted by the Economic Conference expressed the ideas upon which the policy of his country was based, but Austria was unable to put these ideas into practice without assistance from others.

If it were really desired to ensure the peace of the world, political frontiers must be made less rigid, and the barbed wire of the political frontiers must be prevented from penetrating too deeply into the live flesh of the peoples. The Austrian Government and the Austrian nation were firmly resolved to champion the principles enunciated by the Economic Conference.

He then read a letter dated June 23rd, 1927, in which the Austrian Government had informed the Secretariat of the League of Nations of its adhesion to those principles (see page 20).

Since May the Austrian Government had concluded treaties of fairly long duration with Czechoslovakia, Hungary and the United States. The treaty with Hungary had been concluded for two years and a-half, and that with the United States for eight years. Those treaties very considerably lowered Customs tariffs, and included the most-favoured-nation clause. Austria had every reason to wish that the resolutions of the Economic Conference should be applied as rapidly and in as large a measure as possible. Hence, the Austrian Government eagerly awaited the convening of the Diplomatic Conference for the abolition of import and export restrictions and prohibitions.

BELGIUM.

M. ROLIN said that the Belgian Government had been associated with the Conference from the outset, and he reminded the Committee that M. Vandervelde had obtained a unanimous and formal declaration to the effect that the Belgian Chambers would, as far as possible, put the recommendations of the Conference into practical effect.

BRITISH EMPIRE.

Major W. ELLIOT said that the main interest of the Conference concerned trade barriers, and figures showed that this matter was of intense interest to Great Britain. Major W. Elliott wished to make the following declaration: "We are wholeheartedly in favour of the principles of this report and are willing and indeed anxious to play our part, and a leading part, in co-operating with other nations with a view to securing the practical application of its principles".

Great Britain might safely claim to be one of the group of low-tariff countries, as 98 per cent of the goods coming into Great Britain came in absolutely free of duty. His Government was pledged to the maintenance of this free market, but there were certain points in the resolutions to which Great Britain would find it difficult to adhere owing to the very size of that market. As regards the long-term stabilisation of tariffs, he felt that other nations would prefer that Great Britain should have 98 per cent of free imports rather than that it should have to set up a tariff and stabilise it for ten or fifteen years.

He would emphatically repeat that the results of the Conference offered an opportunity to the world which might not continue indefinitely. The pressure of circumstances on the low-tariff countries was a feature which must be taken into account. Unless practical steps were taken, the Protectionist school might say that Great Britain ought to adopt the steps taken by other nations. If it did this it would certainly not be praised for having fallen into line with the majority.

His delegation was wholeheartedly in favour of the principles of the report of the Conference.

BULGARIA.

M. MOLLOFF said that his country fully adhered to the principles laid down by the International Economic Conference. By way of putting these principles into application the Bulgarian Parliament had last year abolished the restrictions in its Customs tariff. The recommendations of the International Economic Conference would be taken into account in the new Customs tariffs now under consideration. The Bulgarian Government thought that only by means of the principles laid down by the Economic Conference could stability be re-established in the world and particularly in those countries of Europe which had suffered the most from the consequences of the war.

CHILE.

M. QUEZADA emphasised the importance which the Chilean Government attached to the International Economic Conference.

Chile desired to carry out the resolutions of the Conference so far as they applied to it. There were, however, no import or export prohibitions in Chile, where almost all goods circulated without restriction. Measures concerning the export of capital were no longer necessary.

The standardisation of Customs nomenclature had been studied by various Pan-American Financial Conferences. Chile, which was engaged in recasting its Customs tariff and taxation system, would follow out the resolutions of the Conference, which were quite in accord with its traditional economic policy. It was at present considering the conclusion of commercial conventions with other Latin-American countries.

In view of the problems peculiar to Chile's situation, he thought that regional economic agreements were particularly desirable. He compared the European countries, possessed of large resources in capital, technical experts, and labour, with the Latin-American countries, which were in an inferior situation. The problems were not the same; they were not antagonistic but merely different. Regional agreements between these countries were therefore necessary. They were not contrary to the spirit of the Conference, because they prepared the way for future universal agreements.

DENMARK.

M. ANDERSEN said that Denmark had long pursued a liberal economic policy. He therefore agreed with the observations of the Swedish delegate and with the speech recently delivered before the Assembly by the Netherlands delegate.

He mentioned the difficulties which might arise, particularly for small and medium-sized States, if the large countries, with their predominant political and economic influence, did not apply the principles formulated by the Conference. He urged his colleagues to act in union and to carry into effect the recommendations of the Conference.

FINLAND.

M. KERO stated that the Finnish Government approved the conclusions of the Economic Conference and had decided to endeavour to put them into practice. His Government had already taken steps to realise one of the most important resolutions, namely, that relating to commercial policy. Although Finland was among those European countries with fairly low protective duties, whilst certain fiscal taxes were relatively high, the present Finnish Government had laid before the Chamber a proposal in favour of a considerable reduction in a number of the present Customs duties. It had further appointed a Committee of experts to investigate and fix drastic modifications in the Customs system of the country, thus proving that the Finnish Government was animated by the recommendations of the International Economic Conference.

FRANCE.

M. LOUCHEUR asked the delegates of the International Economic Conference whether when they returned home they succeeded in making those who govern the nations share a part of their enthusiasm. Had economic policy in general begun to change ?

M. Loucheur had been extremely pleased a few days ago to hear Dr. Stresemann, Chancellor of the Reich, state at the Assembly tribune that if the International Economic Conference had not taken place the Franco-German treaty of commerce would not have been signed.

This treaty of commerce could be clearly distinguished from those which had hitherto been signed. One characteristic was its duration. For the first time it had been decided to allow for a longer period and for renewals which would assure stable commercial relations. Another characteristic was the decision of the two countries to suppress import and export restrictions as regards each other's goods.

There were also other points to be noticed. The French representatives had occasionally been told that they supported a liberal tariff policy, but put a very different one into practice. It must, however, be noted that in the Franco-German treaty there was an extremely important reduction in the figures of the new French tariff. These reductions had reached 75 per cent on certain articles.

Germany, on her part, had made a very great effort and had undergone important reductions in her general Customs tariffs. It might therefore be said that the Franco-

German Treaty consisted in the first application of the principles laid down at the Economic Conference and constituted the first attack on excessive protectionism.

Other clauses deserved attention. For the first time in the Franco-German treaty there was a clause for recourse to arbitration in cases of difficulty in interpreting and applying a commercial treaty.

The Franco-German treaty also included a series of clauses referring to commercial and industrial property, to the rules of ports and the rules of ocean and river navigation, as well as concerning railways.

All these clauses required a rigorous application of the principles of the Economic Conference, and some of them went even further.

M. Loucheur ventured to insist on this treaty, though it concerned only two nations, not as an example but rather as a proof that immediately after the Economic Conference two great countries had loyally made a real attempt to reach agreement on the basis of the ideals put forward at the Economic Conference. He would repeat what Dr. Stresemann had already said: that the success of the Franco-German Commercial Treaty was due to the work of the Economic Conference.

GERMANY.

Dr. BREITSCHIED said that the German Government had adopted the resolutions of the Economic Conference without reserve and without delay. In this connection Dr. Breitscheid read the decision taken by the German Cabinet on June 9th, 1927 (see page 24) to the effect that Germany approved all the resolutions of the International Economic Conference and declared its readiness to co-operate actively in their practical realisation.

The German Government considered that the measures suggested by the Conference in regard to Customs and economic policy were essential to the economic reconstruction of Europe and the maintenance of peace. It was urgently necessary that the work of the League should be speeded up in order to put the Conference's resolutions into effect.

The German delegation entirely shared the view that the decisions of the Conference must be accepted and applied as a whole if they were to be fully effective. To apply only some of the recommendations in order to secure their advantages would be incompatible with the spirit in which the Economic Conference had taken its decisions.

In the opinion of the Conference, most-favoured-nation treatment and the reduction and consolidation by treaty of the incidence of Customs duties formed an indissoluble whole. It was not possible to extract from this system the principle of most-favoured-nation treatment, and to claim its application while ignoring the other component factors of the system. This was particularly incompatible with the most-favoured-nation idea in its broadest and most liberal form as contemplated by the Conference, because in some cases almost prohibitive duties were imposed on certain specified goods. With reference to the particular case of the exaggerated specification of items in the Customs tariff, which

had the same discriminative effect, the Economic Conference had explicitly pronounced against such a procedure.

Two important results had already been achieved in Germany. First, the Economic Council of the Reich had been asked by the Government for an opinion as to those items in the Customs tariff which could be reduced. Secondly, the German tariff-level had been considerably reduced after the conclusion of the Franco-German agreement, which was also a great practical success for the Economic Conference. Where two years of painful negotiation had failed, the spirit of Geneva had brought the two delegations to an agreement. Germany had accepted the principle of reducing duties, which the Conference had recommended; and on the French side the principle of the most-favoured-nation clause and the principle of consolidating duties by treaty, both of which had until then been unknown in French Customs policy, had been applied in the Treaty.

Speaking of the stability of Customs conventions, Dr. Breitscheid stated that Germany had concluded commercial treaties with the United States for ten years and with England and Italy for five years.

INDIA.

Lord LYTTON said that India realised the need of removing every cause of friction and misunderstanding, and no important conclusion of the Economic Conference appeared to be incompatible with her policy. It must, however, have time to consult public opinion, and especially the representatives of the people, before giving full adhesion to the conclusions of the Conference.

Fiscal autonomy was a recent experience in India, and, in the exercise of its new-won freedom in fiscal matters, India had adopted a policy of discriminating protection. But this was not in conflict with the recommendations of the Economic Conference. Every industry which required protection must be able to prove that it enjoyed sufficient natural advantages to enable it to stand up against world competition without the shelter of a protectionist tariff. Protective tariffs were therefore of a temporary character only.

M. Theunis would understand that the adhesion by his country to the recommendations of the Conference *en bloc* was rather a question of time than of principle.

ITALY.

M. SUVICH was pleased to note that nearly all the countries had approved the results of the Economic Conference, and that several had already promised their wholehearted support in putting the resolutions and recommendations of that Conference into practice.

Italy was among those countries. Most of the resolutions were in accordance with the principles of the policy followed in that country. At the same time the Italian Government considered that progress in certain directions which required very close

international collaboration could only be effected by joint action on the part of the different States within the framework of the League of Nations, whose Economic Organisation should prepare the ground.

The Italian delegation concurred in the recommendation in favour of lowering Customs barriers, since that recommendation did not conflict with the need of certain countries to safeguard the existence of industries essential to national defence, while it also was closely connected with the problem of finding employment for labour in markets now closed to it.

M. Suvich reminded the Committee that the question of a diplomatic conference for the abolition of import and export restrictions had first been raised by the Italian Government in 1924.

Another aim of the Conference to which he desired to draw attention, with a view to realising it in close collaboration with the principal countries, was the simplification and unification of Customs nomenclature.

Italy attached great importance to the resolutions concerning agricultural problems, in particular those dealing with agricultural credit, as well as to the resolutions concerning industrial problems, such as the rationalisation of industry.

JAPAN.

M. NAGAI reminded the Committee that, as long ago as the 1923 session of the Assembly, the Japanese delegation had enthusiastically supported the proposal concerning the equitable treatment of aliens and foreign enterprises.

The Japanese Government had signified its general approval of the Conference's recommendations. It would therefore cordially welcome any measures that might be taken in that spirit.

NETHERLANDS.

COUNT VAN LYNDEN VAN SANDENBURG said that his Government had taken note of the Conference's work with great satisfaction.

The Netherlands Government had been particularly pleased with the resolution asking that measures of health control applied to agricultural products should be free of any suspicion of disguised protection.

NORWAY.

M. WORM-MÜLLER recalled M. Hambro's statement in the Assembly that his Government supported without reserve the principles contained in the resolutions of the Economic Conference, and would do its utmost to put those principles into practice.

Norway was ready to co-operate with all the nations in endeavouring to improve the economic relations between States, and he was certain that the results of the Economic Conference would encourage the efforts made in this direction.

PERSIA.

Hussein Khan ALÂ. — The work of the Conference had not, however, embraced the whole problem, and it was difficult for Persia to discover in its conclusions a remedy for her ills. From the agricultural point of view, Persia, by creating a national credit institute, had realised in advance one of the principal recommendations made by the Conference. From the industrial point of view, rationalisation and cartels could only interest the great producing countries possessing large capital and labour resources.

Persia was rich in raw materials, but lacked the means of exploiting them, and whatever efforts she might make in that direction she had no guarantee that her products would not be ousted by competition and that the outlets for her trade would not be barred by the Customs tariffs of other countries.

To lay down for all countries without distinction the reduction or removal of tariffs meant ruin for those who were endeavouring to maintain their products against superior competition.

It would be a step in favour of universal economic co-operation if production were encouraged in those countries that possessed wealth which had not yet been exploited. Persia had proved at the Economic Conference that she was not sovereign in tariff matters. If she claimed liberty for her Customs, it was to enable her industries to develop. As a consequence of the tariff control imposed upon Persia by the foreign Powers for a whole century, her national industries had nearly been crushed out of existence. Moreover, insufficient Customs duties had hindered the establishment of new industries by facilitating the importation of foreign goods at prices which prevented competition from Persian products.

Certain necessary discriminations should therefore be expressed in the resolutions of the Economic Conference. The Conference could only be considered as a first step, and its work should be extended.

By insisting upon the problems of his own country, the Persian delegate spoke also for those other countries which possessed similar problems, and if the League aided in their solution it would facilitate the exploitation of natural wealth which Persia would be only too glad to place at the disposal of the whole world.

POLAND.

M. GLIWIC. — The attitude of the Polish Government towards the Economic Conference was shown by a declaration which was communicated to the Secretary-General of the League of Nations (see page 27).

The Polish Government regards the application of the recommendations of the Conference as one of the most urgent duties.

Certain necessities connected with internal economy and, above all, considerations of financial stability had compelled Poland to impose certain temporary restrictions, but these would become unnecessary as soon as the principles of the Economic Conference were applied in their entirety by all countries.

PORTUGAL.

M. DE VASCONCELLOS said that Portugal had informally adhered two years ago to M. Loucheur's proposal, had approved the conclusions of the Conference in principle, and intended to apply them as far as possible. That must not be taken as a reservation: countries which were not economically strong did not enjoy the same freedom of action as the Great Powers. The two could not be placed upon a footing of equality for the purposes of an international economic agreement. Portugal asked for fair treatment, and adhered to the recommendations in that spirit.

ROUMANIA.

M. NECULCEA agreed that small countries, like the Great Powers, could contribute to the general equilibrium. Roumania would do her utmost in this respect.

KINGDOM OF THE SERBS, CROATS AND SLOVENES.

M. DJOURITCH supported the resolutions of the Conference but was unable to give his Government's assent, as Parliament had been dissolved since the Conference was held and had consequently been unable to study the question. In the Kingdom of the Serbs, Croats and Slovenes reconstruction was proceeding actively, and special efforts would be made to develop all the country's economic resources. A suitable economic policy would therefore have to be followed which would not run counter to the main principles of the Conference. Indeed, before the Conference had been convened, his Government had concluded commercial treaties, first with Great Britain and then with Germany, on the basis of the most-favoured-nation clause.

SWEDEN.

M. LÖFGREN said that the Swedish Government had adhered to the principles laid down by the Economic Conference, and that it declared its readiness to co-operate in their general application.

SWITZERLAND.

M. STUCKI read the following declaration:

“The Swiss Federal Council welcomes the results of the Geneva International Economic Conference. It is prepared to say that the principles adopted by the Conference are in conformity with the guiding principles of Swiss economic policy. It notes with satisfaction that many Governments have stated that they are in agreement with the Geneva decisions, and it is prepared to co-operate in their fulfilment within the limits of its powers.”

He then explained the special position of Switzerland. The interdependence of nations had long since been brought home to her. There were no import or export restrictions in Switzerland and her Customs tariff was one of the lowest in existence. There was no turnover tax and no luxury tax, and the relations of Switzerland with all countries were based upon the most-favoured-nation clause. Moreover, Switzerland had never, since the war, made use of her fighting tariff. Thus she had complied in advance with the recommendations of the Conference.

URUGUAY.

M. Pedro Cosío made certain reservations regarding the resolutions of the Conference, concerning the clause recommending fiscal equality between public and private enterprises. The Government of Uruguay, in order to fight against the formation of trusts by the cold storage companies, was compelled to try to set up a State industry. He considered that his country was absolutely forced to encourage this State enterprise.
