

A readable account of the Financial Committee's operations is the Second Committee's report to the Assembly (Document A. 85). The Assembly took note of this report at its meeting on the 22nd September.

Mention must also be made of the proposals for the establishment of financial assistance in support of a State which is the victim of an aggression. The report of the Financial Committee on the subject, and the statement made by Sir Austen Chamberlain at the meeting of the Council on the 8th September, will be found in Document A. 57.

INTERNATIONAL ECONOMIC CONFERENCE.

The doubt expressed in some quarters as to the wisdom of calling an International Economic Conference has been dissipated. Representatives of most of the countries of the world sat together and discussed in a spirit of conciliation and goodwill matters which, twenty-years ago, perhaps would have meant dissension. The success of the Conference is due to several causes, but amongst them may be mentioned the excellent work of the Preparatory Committee, and, above all, the fact that the delegates, although appointed by, did not represent Governments, and thus were able to state their personal opinions frankly, and unhampered by governmental instructions.

The documents before the Second Committee were the Final Report of the Conference, and the discussion and declarations on that Final Report at the meeting of the Council on the 16th June last.

New Zealand was represented at the Conference by Professor James Hight, and towards the end by Sir George Elliot.

In the discussion of the Second Committee great stress was laid on the interdependence of agriculture, trade, and commerce. A well-regulated organization would provide for equality of prices. but, unfortunately, such is the economic condition, due to the war and other causes, of European and other countries that the agriculturist is obliged to sell cheaply and to buy dearly. Unemployment and the impoverishment of the masses has restricted the market for agricultural produce, with resulting lower prices; but, on the other hand, much that the farmer requires has to be purchased dearly. This condition raises problems of dominating interest to agricultural countries: consequently, the recommendations of the International Economic Conference and the reports of the Dominion's delegates deserve, and are no doubt receiving, careful consideration.

The discussion in the Second Committee began with a statement by the Chairman of the Conference, M. Theunis. This statement, which traced the origin of the Conference and gave an account of the preparatory work and the labours of the Conference itself, was reprinted in the *Journal* of the 18th September. It provides an excellent introduction to official documents, and is well worthy of study.

The debate, which can be followed in the *Journals* of the 18th, 20th, and 22nd September, consisted largely of eulogistic references to the success of the Conference, and statements of the attitude of various Governments towards the results of the Conference. There was, however, one point to which a separate sitting was devoted.

"The [International Economic] Conference is of opinion that the success of its work will depend upon the execution of the principles laid down." This passage is taken from one of the general resolutions of the Conference, and it is followed immediately by, "With regard to the action to be taken on its recommendations, the Conference, while offering no suggestion as to a permanent organization, cannot do better than draw the Council's attention to the well-balanced composition of the Preparatory Committee, which has yielded excellent results in the preparatory work for the Conference."

There was no doubt in the mind of the Second Committee that if the Conference was not to become a dead effort, machinery must be devised for carrying on its work; but what would happen? Would the existing Economic Committee be strengthened or reorganized, or would a new committee be created? If the latter, would it have amongst its members the whole or only a part of the existing organ? and if only part, what would be the relation of this new organ to the Council and the existing Economic Committee? It was a burning question, but the debate in the Second Committee cleared the air and showed that there were points of contact: a new consultative organ should be created; there should take part in its deliberations some members of the existing Economic Committee; the International Labour Office should be represented, but whether the persons chosen should be representatives of labour only or of both capital and labour had to be determined; indeed, on this point there was some divergence of opinion, and, unfortunately, the question of labour *versus* capital obtruded itself overmuch. The difficult task of endeavouring to meet all interests by methods of conciliation and compromise was entrusted to a small drafting committee, which ultimately produced a scheme. This scheme provides that the existing Economic Committee shall be reconstructed so as to be best suited for its principal work—*i.e.*, economic relations between States, and their economic policies so far as they have international aspects; that, in addition, a consultative committee should be created on which there will sit persons competent in industry, commerce, agriculture, finance, transport, labour questions, and questions relating to consumption. Provision is made for the International Labour Office to nominate three labour members; and the International Institute of Agriculture and the International Chamber of Commerce may also be represented thereon; further, on this consultative committee there will be five members of the permanent organization—*i.e.*, the Economic Committee—who will take part in the deliberations of the former as members thereof.

There was criticism by one delegate, that the permanent organization, which consisted of representatives of Government and lacked initiative and independence, should be given such full powers; and some doubt was expressed by several others lest agricultural interests should not be sufficiently represented on the consultative committee. As, however, the scheme met with general acceptance, no modifications of form were made in full committee, but the Rapporteur promised to stress in his report the necessity for having adequate agricultural representation.

The Report of the Second Committee to the Assembly is Document A. 92, and the resolutions with which it concludes were passed on the 24th September.