

the tug-of-war between the East and the West, each eager to demonstrate that the purpose of the policy of the other was to establish its domination over the ex-enemy States. Even, however, when full account is taken of these facts, the time available in the closing sessions of the Balkans and Finnish Economic Commission for consideration of the treaties with Hungary, Bulgaria, and Finland was quite inadequate, and it was impossible to give the economic position of these countries anything like the attention which they deserved.

In the deliberations of neither Commission did the New Zealand delegation, apart from casting its vote, play a very active part. The general effects upon the tempo of the Conference proceedings of the preoccupation of some of its members with questions of voting and procedure have already been described in another part of this report. The Economic Commissions felt these effects to the full, and in addition, especially in the early sessions of the Economic Commission for Italy, a great deal of time was spent in the formal presentation of reparation statements. It soon became apparent that the most useful contribution which the New Zealand delegation could make to the work of either Commission was by refraining from taking up much of its time and maintaining a comparative silence.

The ex-enemy Governments were permitted to make observations, both written and oral, upon the economic clauses of the draft treaties, and in some cases were invited later to give supplementary information on specific points, and to submit themselves to cross-examination by the Commission. The final shape of the Conference resolutions was, however, little affected by these representations. With the exception of Italy, moreover, the ex-enemy Governments are at present so closely associated with the U.S.S.R. that it was natural to suppose that their feelings in regard to the current economic policy of the U.S.S.R., as it affected themselves, did not always find full expression in their submissions to the Conference. There is good reason to believe that the economic clauses of the draft treaties still contain gross anomalies or injustices.

The main economic issues discussed may be conveniently classified as follows :—

I. REPARATIONS

The Council of Foreign Ministers had already made some progress in determining the reparation liabilities of the ex-enemy States, and especially in so far as these liabilities were payable to the U.S.S.R. decisions already taken in the Armistice Agreements had to be taken as the practical starting-point for the deliberations of the Conference on this subject. From Italy the U.S.S.R. was to receive goods valued at \$100 million, calculated in terms of 1938 dollars, from Roumania \$300 million, from Hungary \$200 million, and from Finland \$300 million. It had been further agreed that from Hungary goods valued at \$100 million were to go to Czechoslovakia and Yugoslavia, and that