

ECONOMIC ORGANIZATION.

The Economic Organization of the League is an admirable body, which is able to make use of some of the best brains in the economic world ; yet can it be truly said that this work has in any considerable measure influenced national policy ?

In August representatives of a number of countries in eastern Europe, whose prosperity depends solely or chiefly on the marketing of agricultural produce, met at Warsaw in an effort to arrive at co-operation. Several resolutions were passed designed to eliminate competition ; to arrange for an exchange of statistical information ; to press for an international convention for the abolition of direct and indirect bounties on the export of agricultural produce ; to improve the health of live-stock, and to regulate its movements from one country to another ; to make regulations in respect of agricultural credits ; and, finally, to provide for those countries represented at the meeting, which had not already done so, to declare themselves in favour of preferential treatment being granted by European importing countries to cereals and agricultural produce of European origin. This last resolution concluded as follows :—

“ The Conference desires to point out that, although such preferential treatment is obviously inconsistent with the most-favoured-nation clause, it cannot injure the interests of oversea countries, as the latter will always remain the principal sources of supply for the European market, European sources being inadequate. Moreover, although such preferential tariff treatment will enable the European agricultural exporting countries to benefit by the margin between the general duty and the preferential duty, it will not run counter to the protectionist policy of countries whose agricultural output is insufficient, seeing that it will always be the general duty that affects prices. Again, the introduction of such a system will improve the economic position of the agricultural exporting countries by increasing their purchasing-power, and will thereby confer indisputable benefit on both European and oversea countries.

“ While admitting the importance of the most-favoured-nation clause in international trade, the Conference is bound to observe that in the peculiarly serious position of agriculture the only effective and practical remedy for the agricultural depression is to make an exception to the clause for agricultural produce of European origin.”

(See Document A. 51.)

Early in the proceedings the Indian delegate introduced the following motion :—

“ The Assembly is impressed by the seriousness of the present situation, by the general recession of employment and trade, by the constant recurrence of such periods of economic depression, and the failure up to the present to discover any concerted means for averting the losses incurred.

“ It resolves, therefore, that the Economic and Financial Organization of the League, which has already been studying the causes of fluctuations in the purchasing-power of gold and their effect upon the economic life of the nations, should undertake the study of the course and phases of the present depression and the circumstances which led up to it.

“ For carrying out this object it should put itself in touch with national organizations, whether consultative or planning councils or research institutions, concerned with this matter, and should further, with their aid, consider by what means the work now being conducted on the problem of the recurrence of periods of economic depression may be co-ordinated.

“ Believing also that the restoration of prosperity in the countries which are mainly concerned with agriculture and the production of raw materials is not only an object to be aimed at in itself, but that it will also contribute to the restoration of prosperity in other countries, the Assembly desires that the programme and researches recommended by the agricultural experts who met at Geneva in January, 1930, will receive special attention in the course of the comprehensive inquiry on the world economic depression which it has now recommended.”

The French delegate introduced a motion covering a number of points, including a recommendation for the creation of a permanent organ of conciliation and arbitration to which might be referred disputes among States arising from the interpretation and application of commercial conventions, whether bilateral or multilateral ; and there were other motions, including one on dumping.

There was a long and exhaustive debate, which is admirably summed up in the Second Committee's report to the Assembly. (Document A. 79.)

It was felt that there was no need to undertake a special inquiry into the causes of economic depression, since this was already covered by the Economic Organization, but the need for research and serious study of facts and special factors was stressed.

Regarding the Warsaw proposal quoted above, a proposal which would mostly affect certain grain-exporting countries, it is unfortunate that it was brought under the notice of the League, which could hardly be expected to give its blessing. There was considerable dissent, and I draw your attention to the third and following paragraphs of Section 4 of the Second Committee's report,