

from the formation of cartels, including the financial advantages, but clearly showed that they exert a direct and indirect restraint on competition. Finally, he showed that cartels may effect economies in distribution. Both of these papers were drawn upon in framing the final resolutions on cartels.

The discussions showed marked apprehension on the part of labor and the consumer groups, and dubious support of cartels on the part of some of the employer groups. The Committee members might almost have imagined that they were listening to a debate on the American trusts thirty years ago. Indeed, an echo of the controversies over "good" and "bad" trusts is to be found in the preamble to the resolutions, where the Conference stated that cartels are not a subject "upon which any conclusion of principle need be reached, but a development which has to be recognized and which, from this practical point of view, must be considered as good or bad according to the spirit which rules the constitution and the operation of the agreements, and in particular according to the measures in which those directing them are actuated by a sense of the general interest."

The American experience in controlling trusts and in maintaining a regime of competition was frequently cited. Some form of control, both national and international, was advocated by certain labor and consumer representatives; but the only concrete suggestions as to control in the international field were such as to command little support. Taking another leaf out of the book of America's experience with big business, the Conference stated that "the publicity given in regard to the nature and operations of agreements constitutes one of the most effective means, on the one hand, of securing the support of public opinion to agreements which conduce to the general interest, and on the other hand, of preventing the growth of abuses."

Finally, the Committee on Industry and the Conference as a whole recommended the collection of statistical data similar to those collected by the United States Department of Commerce, and proposed that the League should "take all suitable measure so that Governments, in collaboration with the chief industries, should arrive at international agreements with reference to the definition of the terms, the methods, and the scope of statistics."

The resolutions of the Committee on Commerce, adopted by the Conference, represented even more imposing achievements than those of the Committee on Industry. This Committee surpassed any expectations which might have been held before the Conference met. Its agenda bristled with difficulties. The items covered liberty of trading—not to be confused with "free trade," as President Theunis pointed out—the form of customs tariffs, and finally tariff levels and commercial policy. The Committee declared that a most significant sign was the desire of all members that the Conference might "in some way mark the beginning of a new era, during which international commerce will successively overcome all obstacles in its path that unduly hamper it, and resume that general upward movement, which is at once a sign of the world's economic health and the necessary condition for the development of civilization." It condemned the system of import and export prohibitions and the privileges sometimes granted to Government enterprises, and recommended a more liberal policy respecting foreign nationals and companies in the exercise of their commercial activities. It made a number of important suggestions for the consideration of the Diplomatic Conference convened under League auspices for November 14, 1927, proposing the adoption of a number of protocols by which the recommendations of the Economic Conference might be given effect.

The Committee and finally the Conference recognized that harm results from high and constantly changing tariffs; that an improvement in economic conditions will result from increased facilities for international trade; that tariffs are not only a matter of domestic concern, but a matter of world concern as well; and that some of the causes for increasing trade barriers in the post-war period have largely disappeared, while others are diminishing in importance. With all these things in mind, the Committee on Commerce declared and the Conference adopted a statement "that the time has come to put an end to the increase in tariffs and to move in the opposite direction."

It proposed that this policy should be given effect (1) by national action to remove or diminish those tariff barriers that "gravely hamper trade, starting with those which have been imposed to counteract the effects of disturbances arising out of the war;" (2) by bilateral action in concluding

commercial treaties; (3) by abandoning the practice of "putting into force, in advance of negotiations, excessive duties established for the purpose of bargaining whether by means of *tarifs de combat* or by means of general tariffs;" (4) by an effort on the part of the Economic Organization of the League to secure "further action by the respective States with a view to promoting the equitable treatment of commerce by eliminating or reducing the obstructions which excessive customs tariffs offer to international trade."

It further condemned the imposition of differential internal taxes on imported goods. It declared that the free circulation of raw materials is one of the essential conditions of healthy industrial and commercial development, and hence that "export duties should only be resorted to to meet the essential needs of revenue or some exceptional economic situation or to safeguard the vital interests of the country; and that they should not discriminate between foreign destinations." In order to restore the system of long term commercial treaties securing equality of treatment, the Conference adopted the Committee's recommendation that "the widest and most unconditional interpretation should be given to the most-favored-nation clause" as regards customs duties and conditions of trading, recognizing that each nation must judge for itself in what cases and to what extent this fundamental guarantee should be embodied in any particular treaty."

After tariff barriers and commercial treaties, the report took up certain indirect means of protecting national trade and national navigation; direct and indirect Government subsidies; "dumping," and discriminations arising from conditions of transport. As to "dumping" the resolution "considers that dumping should be reduced to a minimum" and that importing countries "which find themselves compelled to take defensive measures against dumping should not resort to excessive, indirect or vexatious measures which would have a more far-reaching effect than is intended." As to conditions of transport the Conference recommended a wide range of activities.

There is little doubt that the resolutions on commerce, if carried into effect by League protocols and by action on the part of the various Governments, will have great influence on European commercial and industrial recovery. The

resolutions on agriculture were less satisfactory. The Committee on Agriculture and the Conference as a whole regarded "as a vital economic question the increase of agricultural production, and, with this in view, the placing of agriculture on an equal footing with industry by enabling all those engaged in agriculture to obtain a satisfactory standard of living, and a normal return for their labor and on their capital," but the methods proposed were vague. The resolutions called for the adoption of technical improvements, the scientific organization of production and stock-breeding, of the campaign against the diseases and the enemies of plants and animals, of marketing, of the standardization of agricultural products, of the search for outlets, and of credits and insurance. The co-operative movement was praised. It was pointed out that producer and consumer co-operatives should collaborate more closely and Governments were called upon to create or encourage the development of mutual credit institutions. The resolutions called for the removal of hindrances to the free circulation of and trade in agricultural products, "in so far, as their removal does not endanger the vital interests of the different countries and their workers;" stressed the need of an equitable balance between industry and agriculture; urged the abandonment of the system of export prohibitions and export duties, "with the exception of taxes levied for the benefit of the industry concerned," and called for a greater stability in customs tariffs. They also appealed for more extensive studies of the agricultural situation the world over, and the collection and publication of agricultural statistics.

In its general resolutions the World Economic Conference called attention to the heavy burden of armament expenditures and expressed the hope that success might crown the efforts to secure limitation and reduction of armaments. It wisely said that successful action on its recommendations depends "not so much upon the good will of Governments and administrations but upon an informed and supporting public throughout the world." It called the attention of the Council of the League of Nations to the "well-balanced composition of the Preparatory Committee" of the Economic Conference—a hint as to the need of strengthening and amplifying the Economic Section of the League in order to follow up the Conference recommendations.