

III. WORK OF THE CONFERENCE.

At the first meeting, the Right Hon. Ramsay MacDonald, in assuming the Presidency of the Conference, outlined the general plan of the Conference's work on the basis of the annotated agenda drawn up by the Preparatory Commission of Experts. (See Appendix I.)

His Excellency M. P. Hymans, delegate for Belgium, was appointed Vice-President by the Conference.

The Bureau of the Conference (the Management Committee) was set up and was composed of representatives of the following countries: Argentine Republic, the United Kingdom, Canada, China, Czechoslovakia, France, Germany, Hungary, Italy, Japan, Mexico, Netherlands, Spain, Sweden, Union of Soviet Socialist Republics, United States of America.

Following upon the formal opening of the Conference and the setting-up of the machinery necessary for its operation, the delegates of thirty-four countries delivered opening addresses. These addresses dealt for the most part with the effects of depression in the particular countries represented by the speakers, and stressed various possible methods of promoting recovery. Even at this early stage differences in views and aims were discernible. The European countries which later formed the Gold Bloc took the view that the first step towards recovery was the restoration of confidence, and particularly of confidence in stable monetary standards. To secure this, they desired the immediate stabilization of exchange-rates and the assurance that countries which had suspended the gold standard would restore that standard as soon as practicable.

In contrast with this view, countries which had suspended the gold standard tended to look in greater degree toward monetary policy as a method of stimulating general recovery. A strong lead was given to this group by the address of the Right Hon. Neville Chamberlain (see Appendix 2), who suggested a general programme of liberal credit and low money rates, which he hoped might encourage the expansion of trade and economic activity generally, and so lead to the absorption of the unemployed and to an increase of purchasing-power and of demand. This British programme was supported by the British Dominions, the Scandinavian countries, and by other countries within the sterling area.

A third group consisted of certain debtor countries, many of whom had found it impossible to carry the burden of their external debt under existing conditions. Cases were quoted of countries whose external debt service due exceeded the total value of their exports. These countries urged the necessity of such debt adjustments as would reduce the burden of external debt charges to practicable levels.

The leader of the New Zealand delegation took part in this discussion, and his address is published as Appendix 3 of this report.

This general discussion in full Conference occupied most of the first week, and ended on Friday, 16th June.

IV. THE DIVISION OF WORK.

In order to pursue a method of work in consonance with the suggestions of the Preparatory Commission of Experts, the Conference set up two main Commissions, on each of which all the nations were represented:—

Monetary and Financial Commission.—President: The Hon. James M. Cox (United States of America). Vice-Presidents: H. E. M. G. Jung (Italy); Dr. Victor Kienbock (Austria). Rapporteur: H. E. M. Georges Bonnet (France).

Economic Commission.—President: H. E. M. H. Colijn (Netherlands). Vice-Presidents: M. C. V. Krogmann (Germany); H. E. M. Thomas Le Breton (Argentine Republic). Rapporteur: The Right Hon. Walter Runciman (United Kingdom).

After adopting at its first meeting, on the 16th June, a programme of work, the Monetary and Financial Commission set up two Sub-Commissions:

- (a) One to consider "Immediate Measures of Financial Reconstruction," with the following items on its agenda: Credit Policy; Price Levels; Limitation of Monetary Fluctuations; Exchange Control; Indebtedness; Resumption of International Lending.