

MAJOR ELLIOT (United Kingdom) said that the United Kingdom was not immediately interested as an exporting country, but the question was one of great interest to his country which took 80 per cent. of the world's butter exports and 50 per cent. of the cheese exports. He had not yet had time to study the Italian proposal, but he was inclined to agree with the view expressed by the Swedish delegate. The economic side of the problem was the most important, but on that point he was not at present in a position to make a statement. He therefore supported the proposal for the appointment of a sub-committee.

The United Kingdom was also a large producing, though not exporting, country, and was therefore affected by the existing world surplus of butter and dairy-products. It was estimated that a cut of 50 thousand tons would be necessary to restore the London market to a healthy condition. He wished it to be quite clear that it was the intention of the United Kingdom to increase its output of dairy-products. He supported the proposal that both the recommendations before the meeting should be referred to a sub-committee.

M. GAUTIER (France) supported the proposal of the United Kingdom representative, as he did not consider that this very important matter was yet ripe for final discussion.

M. ANZILOTTI (Italy) said that the Italian delegation considered that the present need was for a thorough inquiry into the question. The inquiry would perhaps be best undertaken by existing organizations which could give all the necessary information. These bodies were not concerned only with butter and could give assistance in connection with other agricultural products. When their Report was received it would be possible to say whether the creation of a new body was necessary. The International Dairy Federation had already dealt with the commercial side of the problem, as was shown in the case of brands of cheese, which was a purely business matter. The Italian delegation had no objection, however, to the whole question being referred to a sub-committee and would gladly co-operate in its work.

MR. MASTERS (New Zealand) felt that both the Polish and Italian proposals were inadequate to meet existing difficulties. The former suggested the immediate formation of an International Dairy Council; he was not in a position to state whether his Government would favour that suggestion. In any case there were three drawbacks to the proposal; it made no mention of dairy-products other than butter; though ensuring distribution, it failed to deal with other pressing problems; and it made no provision for the co-operation of consumers and the agreement between producers within the country which the Sub-Commission had earlier stated to be so desirable.

The New Zealand delegation was disposed to give favourable consideration to the Italian proposal, and endorsed Mr. Walter Elliot's suggestion that a sub-committee should be set up to study it.

THE PRESIDENT, speaking on behalf of the Argentine delegation, agreed that a sub-committee should be set up to consider all dairy-products.

The Sub-Commission appointed the following Sub-Committee: Denmark, Netherlands, Germany, Poland, Latvia, Irish Free State, Argentine Republic, Australia, France, Sweden, New Zealand, Canada, United Kingdom, United States of America, Belgium, Switzerland, Italy, Estonia, Finland.

MR. SHEEHAN (Australia) asked that the representation of his delegation on the sub-committee be left open.

The outcome of the deliberations of the Sub-Committee was a resolution in the following terms, which was endorsed by the Economic Commission and in due course adopted by the Conference:—

“The Conference,—

“Considering the great importance of the production and exportation of dairy-products in agricultural economy and universal economy,

“Considering the extremely serious situation of this branch of production,

“Considering that for the above reasons the delegations of several countries deem it necessary for the Governments to constitute without delay an ‘International Dairy Council’ for the purpose of reducing competition between the countries exporting butter and other dairy-products by co-ordinating production and marketing,

“Considering, moreover, that although certain institutions have already dealt and are dealing with this question, several delegations are nevertheless of opinion that it has not yet been sufficiently studied to allow of definite conclusions being drawn and, in particular, of an immediate solution of the problem being realized,—

“Requests the International Institute of Agriculture, in agreement with the International Agricultural Commission, the International Dairy Federation, and the Economic Committee of the League of Nations to make a preliminary study of the question;

“And invites the Governments of the various countries to send to the Secretariat of the League of Nations, before September 10th next, all the data at their disposal on this question, and, in particular, to inform it of their views on the constitution of an ‘International Dairy Council,’

“In order that the questions may be definitely settled at the next session of the Conference.”

(3) *Subsidies and Indirect Methods of Protection.*

Subsidies.—Under this heading reference was made to the disturbing effects on normal economic relations due to governmental subsidizing of ship construction and operation. Underlying difficulties, connected with an apparent excess of available ships, were illustrated by the increase in the tonnage of the world's steam and motor shipping from 45.4 million tons in 1914 to 66.6 million tons to-day, an