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CABINET.

MONETARY AND ECONOMIC CONFERENCE.

MY colleagues will wish to be informed as to the nature of the tariff truce proposal which, as has already been reported in the press, the United States representative, Mr. Norman Davis, submitted at the meeting of the Organising Committee on the 29th April.

The Committee, besides convoking the Conference on the 12th June next and dealing with applications from several bodies for representation at the Conference, was requested by Mr. Norman Davis to include with the invitation to the Conference an intimation that it was the intention of the United States Delegation at the outset of the Conference to move a "tariff truce" resolution. The letter of invitation, including this intimation, will be found in Appendix A.

Mr. Norman Davis further submitted to the Committee the draft of a resolution (Appendix B), which would have recorded the Committee's belief that an economic truce is essential for the successful conclusion of the Conference and would have urged all Governments which are to participate in the Conference to abstain during the period which will intervene before the Conference from any measures likely to hinder international trade.

My view as chairman was that it was by no means clear that such a resolution was within the scope of the Committee's powers, and, in any event, I had no instructions as to the view of His Majesty's Government upon it. On several members of the Committee immediately signifying their inability to adopt such a resolution without referring it previously to their respective Governments, it was agreed that no such resolution should be then adopted, but that the members should seek instructions on the question and should inform me of the views of their Governments as soon as possible. I undertook that if these views were such as to make another meeting useful, I would convene it without delay, after consultation with Mr. Norman Davis.

In due course, therefore, the views of the various Governments regarding the American proposal will be communicated to me, and in the meanwhile I shall be glad to have the views of my colleagues as to the attitude I should adopt to the draft resolution on behalf of His Majesty's Government.

Three telegrams which passed between Sir F. Leith-Ross in Washington and myself just before the meeting are also appended (Appendix C).

J. S.

Foreign Office, May 2, 1933.

APPENDIX A.

Letter of Invitation to the Monetary and Economic Conference.

Sir,

League of Nations, May 2, 1933.

I HAVE the honour to inform you that the Council Organising Committee for the Monetary and Economic Conference (having met in London on the 29th April under the Chairmanship of Sir John Simon), has decided to convene the Conference on the 12th June, at 11 A.M. The Conference will meet in London at the new Geological Museum in Exhibition Road.

I have, further, the honour to inform you that the representative of the United States, Mr. Norman Davis, informed the Organising Committee that, at the opening of the Monetary and Economic Conference, the United States Delegation intends to ask the participating Governments to join in an agreement or understanding, to be carried out in good faith, providing that all Governments should refrain during the period of this truce from creating or making any material upward modification in tariff rates, imposing any new restrictions or enhancing any existing restrictions against the importation of goods which would give domestic producers an additional advantage as compared with foreign producers. Furthermore, this truce would provide that the Governments should agree to introduce no additional direct or indirect subventions for the expansion of their export industries, nor any discriminatory trade methods, nor any additional measures to promote dumping, &c.

APPENDIX B.

Draft of a Resolution submitted by Mr. Norman Davis.

THE Organising Committee of the Monetary and Economic Conference, convinced that it is essential for the successful conclusion of the Conference that the measures of all kinds which at the present time misdirect and paralyse international trade be not intensified, recognises the urgency of adopting at the beginning of the Conference a tariff truce, the provisions of which shall be laid down by common agreement.

The Committee, further convinced that immediate action for this purpose is of great importance, strongly urges all Governments which will participate in the Conference to abstain from all initiatives which might increase the many varieties of difficulties now arresting international commerce. One of the main motives which brings the Governments together in conference is to surmount these obstacles; the Committee firmly urges all Governments, during the period that will intervene before the Conference, to act in conformity with the spirit of this objective.

APPENDIX C.

Sir R. Lindsay to Sir John Simon.—(Received April 28.)

(No. 276. Most Immediate.) R.
(Telegraphic.)

Washington, April 28, 1933.

TARIFF truce:

French disliked idea of Conference resolution being retroactive, and at meeting last night with them and Americans we prepared for consideration our Government's rough draft of a preliminary general resolution by Organising Committee to bridge six weeks' interval.

This draft is as follows :—

“ The Organising Committee, convinced of great importance for successful conclusion of the Conference of not intensifying measures of all kinds which at the present time paralyse international commerce or misdirect normal flow of trade, recognise urgency of adopting at the beginning of the Conference a tariff truce, the provisions of which shall be laid down by common agreement.

“ Further convinced of great importance attaching to immediate action directed to this end, the Committee urges Governments participating in the Conference to abstain henceforward from all initiatives which might increase existing obstacles of all kinds to international commerce.

“ One of the main motives which bring the Governments together in conference is to surmount these obstacles; the Committee strongly urges all Governments, during intervening period, to act in this spirit.”

Sir John Simon to Sir R. Lindsay (Washington).

(No. 222. Secret. Most Urgent.)
(Telegraphic.)

Foreign Office, April 28, 1933.

FOLLOWING for Sir Frederick Leith-Ross :—

“ 1. Organising Committee meets at Foreign Office to-morrow, Saturday, at 3 P.M. Its principal duty is to fix date proposed for opening of Conference, viz., 12th June, and to deal with a number of applications for admission to membership of the Conference. It seems to me that Organising Committee has no duty to pass resolution recommending to Governments a particular attitude, though I, as Chairman, would take a broad view of Committee's powers if other members raised no objection and if British Government agreed to recommendation proposed.

“ 2. Washington telegrams Nos. 259 and 273 had made me a little anxious lest there should be some confusion as to Organising Committee's function. But these telegrams only indicated that Norman Davis would give notice that American Delegation would propose a tariff truce at the outset of the Conference and would ask that this notice should be circulated by Organising Committee with invitations. Your telegram No. 276, however, contemplates an entirely different procedure, as to which the following difficulties arise :—

“ (a) The resolution which it is suggested the Organising Committee might pass is a rough draft for the consideration of the Governments. There is no possibility of this consideration being given between Friday night and Saturday afternoon. Before telegram No. 276 reached me I had assured Minister of Agriculture that Organising Committee would not make recommendations of policy, but, as previous telegrams show, would only be asked to communicate Norman Davis's notice of intention.

“ (b) I have just received intimation from French Ambassador that his Government cannot concur in paragraphs 2 and 3 of resolution.

“ (c) Italian, Belgian, Norwegian, German and Japanese representatives at to-morrow's Committee will be Ambassadors; none of them will have any instructions on the subject of proposed resolution or will ever have heard of its terms. It seems likely that some of them may make the obvious point that the Organising Committee is entrusted by the League of Nations with the duty of organising the Conference and has no power to make recommendations of policy.

“ 3. I have consulted Mr. Baldwin and hope I may be able to catch Mr. Runciman and Major Elliot to-night, but it seems to me clear that, apart from any question of its jurisdiction, Organising Committee could not adopt resolution in No. 276 to-morrow. His Majesty's Government at any rate must consider its terms carefully. Prime Minister does not arrive till Wednesday night. Would it not be better for Norman Davis to be instructed

by his Government not to bring up the proposal until there has been time for Cabinet to consider it and until Washington and ourselves have turned the rough draft into its final form? This would give the opportunity to communicate with the other Governments chiefly concerned and a further meeting of the Organising Committee might perhaps be possible in a week's time."

Sir R. Lindsay to Sir John Simon.—(Received April 29.)

(No. 283. Most Immediate.)
(Telegraphic.)

Washington, April 29, 1933.

FOLLOWING from Sir F. Leith-Ross :—

"As explained in our telegram No. 276, new proposal was suggested by French and welcomed by American experts, who drafted it together. I pointed out difficulty that members of Organising Committee would have no instructions, but Americans insisted that these could be easily obtained, and that if there was such difficulty even about temporary truce it was bad outlook for the Conference. I therefore confined myself to getting some words changed which seemed objectionable and said that Government decision must be reserved.

"2. It is impossible to get revised instructions sent to Norman Davis from here to-night. I suppose that he could get committee to fix date of Conference, and Norman Davis put forward draft proposal, but adjourn its consideration for a few days pending consultation with Governments. If adopted, it could follow invitation.

"3. My immediately following telegram shows unsatisfactory position about debts, but I assume Prime Minister will not desire to delay summoning Conference."